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ABSTRACT

There have been numerous attempts over the past seven years to replace the federally-funded Work Incentive Program (WIN) with another type of work program. As a result of increased flexibility, decreased federal funds, and continuing debate about welfare reform, there is now considerable variability among states in the types of employment and training services and program available to welfare recipients. This report documents the status of employment and training programs and policies for recipients of Aid to Families with Dependent Children (AFDC), general assistance, and food stamps in all states. The historic context of Federal welfare-employment policy is analyzed. Among the characteristics of state work-welfare programs identified were the following: (1) overall, states have made considerable use of the federal AFDC and food stamp work program options available since 1981; (2) there was considerable diversity in the combinations of options chosen; (3) there is considerable variability across states in their political and financial commitment to work-welfare; (4) there was a high level of anxiety across the nation about the direction Federal policy will take regarding work-welfare issues; (5) political priority on work-welfare at the state level has increased; (6) the primary activity offered in programs is job search; (7) the Job Training and Partnership Act is increasingly important in the programs. Implications for federal policy are identified. The most critical need now is a clear and long-term commitment by the Federal Government to fund work-welfare programs. Data are presented on 21 tables. (BJV)

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by
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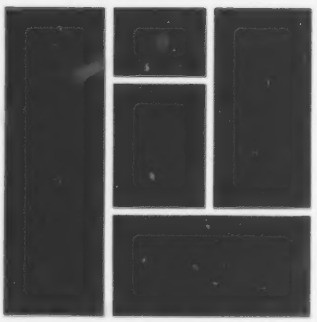

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EXECUTIVE SUMMARY

This is the first of two reports on the national work-welfare system. It is based on an examination of employment-related programs available for welfare recipients in the fifty states and the District of Columbia (as of 1986). A subsequent report will focus more specifically on Job Training Partnership Act programs and how they serve this population.

Since 1981 states have been given more options and greater flexibility in designing employment and training programs for recipients of aid to families with dependent children (AFDC), but less federal resources. The federally-funded Work Incentive Program (WIN), enacted in 1967, has been the primary work and training program for this population. Ninety percent of the funding for WIN comes from the federal government with a 10 percent match from the states. Since 1981 states have been given greater flexibility in administration and record-keeping for WIN. Further, Congress now allows states to adopt several optional AFDC work programs that can be added to their WIN systems. Funding for these optional programs requires a 50 percent match by the states. At the same time, federal funding for WIN has been reduced drastically, from $381 million in FY 1981 to $133 million for FY 1987.

There have been numerous attempts over the past seven years to replace WIN with another type of work program, and there are currently several welfare reform proposals that include work-welfare provisions.

As a result of increased flexibility, decreased federal funds, and continuing debate about welfare reform, there is now considerable variability among states in the types of employment and training services and programs available to welfare recipients. The general objectives of this report are (1) to document the status of employment and training programs and policies for recipients of aid to families with dependent children (AFDC), general assistance and food stamps in all states; and (2) given the present situation in the states, address implications for federal welfare reform legislation. The first chapter reviews the history of federal work-welfare policy to provide a context for examining the current situation. This is followed by a description of all state work-welfare programs as of late 1986 and the identification of national patterns and trends, based on telephone interviews with 115 program administrators in the fifty states and the District of Columbia. The final chapter discusses implications and recommendations for federal policy.

The Historic Context of Federal Welfare-Employment Policy

The federal-state welfare system has two dimensions: (1) providing cash, or income, assistance; and (2) providing services and goods such as food stamps, social services, employment and training assistance, health coverage and housing subsidies. A central part of the cash assistance component has been the requirement that able-bodied recipients be available for, or search for work; and a central aspect of the services component has been to assist clients in becoming employed and self-sufficient. Since 1967, the WIN program has been mandated to both provide employment and training services to AFDC recipients and enforce the work requirement.

The federal role in employment programs for welfare recipients, which began in the 1930s, expanded greatly in the 1960s and 1970s. First, work-related provisions were added to the AFDC and food stamp programs. Income disregard policies and work registration requirements were included in both programs to provide incentives for recipients to choose to work instead of receive public assistance. Able-bodied employable adults on AFDC are required to register and cooperate with the WIN program, and non-AFDC food stamp recipients are required to register with the designated food stamp work registration agency. The majority of the clients exempt from WIN registration and food stamp work registration are women with young children (under six years of age), and aged or medically incapacitated persons. In addition, all states were first encouraged (in the early 1960s) and then required (from 1964) to implement a program providing employment, training and supportive services to employable AFDC clients. Since 1967, all states have been required to operate a WIN program. At the federal level WIN is administered jointly by HHS and DOL and at the state level, by the employment security and welfare agencies.

In addition to the direct involvement of the federal government in work-welfare issues through the AFDC and food stamp programs, there has also been a less direct role through federal general employment and training programs for all economically disadvantaged persons. The Manpower Development and Training Act (MDTA) (1962-1973), although initially designed for displaced workers, was quickly retargeted on the economically disadvantaged. The MDTA was superseded by the Comprehensive Employment and Training Act (CETA) (1973-1982) which provided both training and public service employment to disadvantaged adults and youth.

Major changes have occurred in federal employment, training and welfare policy since 1981. First, states have been given the option of running WIN Single Agency Demonstrations (WIN demos) solely administered by the state human services (welfare) departments. Second, the Reagan administration has submitted several proposals to require AFDC recipients to work in unpaid public service jobs in exchange for their welfare payments (i.e., workfare). Although a national workfare program has been rejected by Congress, in 1981 states were allowed the option of establishing AFDC workfare requirements under the Community Work Experience Program (CWEP).

Along with the WIN demos and CWEP, other work program options have been made available to the states since 1981. States can require AFDC recipients or applicants to conduct up to eight weeks of job search under the IV-A job search option. The grant diversion (or work supplementation) option allows states to use a client's AFDC grant as a subsidy to an employer who provides an on-the-job training position. States were also given the option of establishing job search and workfare programs for food stamp recipients; but beginning in 1987, all states are required to have an employment and training program for food stamp recipients.

Paralleling these developments in federal work-welfare policy, there have also been major changes in the general employment and training programs targeted on the economically disadvantaged. CETA was allowed to expired in 1982 and was replaced by the Job Training Partnership Act (JTPA). JTPA offers no public service employment, limits funds that can be spent on stipends and supportive services such as child care, and, at an annual funding level of about $3.5 billion dollars, has about half the training funds that CETA had.

Throughout the 1960s and 1970s a few issues periodically surface in debates about federal work policies for welfare recipients:

- The policy emphasis has periodically shifted between a focus on intensive employability services, such as institutional and on-the-job training, and activities that result in immediate job placements, such as job clubs and search assistance. The latter will be of more benefit to those who are more job ready, while the former benefits those with more serious labor market barriers.

- There is continuing concern about the balance and tension between enforcing mandatory work requirements and providing meaningful training and jobs. When WIN began, participation was voluntary (except for males). In 1971 it was made mandatory for women with children under 6 and in 1975 WIN was redesigned to strengthen this requirement (by making clients register with training staff). In the 1980s, the Reagan administration has particularly emphasized strengthening the work requirement provisions to make welfare less attractive than working. In contrast, JTPA provides services to eligible persons, including welfare recipients, on a voluntary basis, as did MDTA and CETA in the 1960s and 1970s.

- Work and training programs and demonstrations have been consistently criticized for not serving enough clients, and not significantly reducing welfare costs and caseloads. WIN has been simultaneously criticized for not providing enough intensive training and education services and for not enforcing the AFDC mandatory work requirement strictly enough. In part, the criticisms reflect concerns about the multiple and often competing objectives of work-welfare programs.

- There has been ongoing bureaucratic controversy over the administration of welfare-employment programs and periodic shifts in the "balance of power" between the Department of Labor and the Department of Health and Human Services. The CWT and the Title V programs in the 1960s, precursors to WIN, were run by the human services agencies. WIN was designed to be jointly administered by DOL and HEW (and later, HHS) nationally, and their state counterparts -- the state welfare department and the state employment service (ES). Over the years the ES became the dominant partner, until the 1981 options were introduced, which clearly increased the role of HHS and the welfare departments. Nevertheless, one of the most important training resources available to welfare recipients is JTPA, administered by the Department of Labor.

- Throughout history, federal funds for welfare-employment and employment and training activities have been very limited compared to the large number of welfare and other economically disadvantaged persons in need of assistance. Even at its peak, WIN funding levels provided only about $250 per potential WIN registrant. Between 1981 and 1986, funding for WIN declined by over 40 percent (to around $140 per potential registrant). Similar reductions occurred in the shift from CETA to JTPA; JTPA training funds are about half the level available under CETA in 1981. While various proposals have been presented to replace WIN, most would commit only modest federal funding to work-welfare activities and would reduce the federal share of total program costs.

Since 1981, federal work-welfare policy has been characterized by continuing budget reductions, constant debates about the continuation of WIN and welfare reform, and general fragmentation. Nevertheless, major work-welfare initiatives have been undertaken in some states. The programs in Massachusetts and California have received the greatest attention, but the survey of the states discussed below indicates that there has been considerable activity in many states. At the same time, though, several states remain in "limbo" waiting for federal direction.

Characteristics of State Work-Welfare Programs

Overall, states have made considerable use of the federal AFDC and food stamp work program options available since 1981. At the end of 1986 only 3 states had not adopted at least one of the federal AFDC or food stamp options. All but twelve states had adopted at least one of the AFDC options. But there was considerable diversity in the combinations of options chosen: twenty-seven states had CWEP, seventeen had grant diversion, twenty-two had IV-A job search, thirty-seven had food stamp job search, and nine had food stamp workfare. Twenty-six states had WIN single-agency demonstration programs, the rest had regular dual-agency WIN programs.

Overall, there is a very high level of anxiety across the nation about the direction federal policy will take regarding work-welfare issues, how soon federal and Congressional decisions will be made, and what changes states will have to make. Beyond that, several patterns and trends were identified nationwide, including:

- **The political priority on work-welfare at the state level -- defined as (1) perceived strong support and visibility and/or (2) appropriation of state funds for work-welfare programs -- has clearly increased in the past seven years.** However, only six states have appropriated enough state funds to maintain stable program levels or expand their programs. All six are in relatively good economic environments: Delavare, Maine, Massachusetts, New York, Virginia and California.

  Other states, especially in the midwest, also are placing high political priority on work-welfare programs, but have not substantially supplemented federal resources with state funds, presumably because their fiscal situations are less favorable than in northeastern states.

  Priority is not high in all states, however. In at least six states officials indicated that they feel work programs are still not a high priority in their state.

- **Nationwide in 1986, fifty-four percent of all counties, representing 82 percent of the public assistance caseload, had a WIN or WIN demo program. Sixty percent of all counties, representing 85 percent of the public assistance caseload, had at least one AFDC work program (including WIN/WIN demo).** After WIN/WIN demo, the next most geographically extensive work components were IV-A job search (in 30 percent of all counties) and CWEP (in 28 percent of all counties).

  While this coverage may seem high, two caveats are in order. First, not all public assistance recipients in all parts of the counties are

being served by or have access to these programs; some live in areas not covered by the program, others are not assigned to a program activity. Second, there is considerable state-by-state variation. WIN/WIN demo is statewide in twenty states, but in nine states is in counties where less that 50 percent of the public assistance population resides.

- **The primary activity offered in work-welfare programs nationvide is job search**; both independent job search requirements and group job search assistance. Many states have no components other than job search.

- **There appears to be some geographic variation in the types of work-welfare programs states operate.** Northeastern states particularly seem qualitatively different than other states: they were more likely to (a) have coordinated work-welfare systems rather than separate programs, (b) emphasize training, (c) (along with north central states) have state-sponsored programs, (d) maintain stable staffing levels in spite of federal budget cuts, and (e) provide state funds for transitional services such as day care. Part of this geographic trend perhaps reflects the better economic climate in the northeast than in the rest of the country, which enables these states to appropriate more funds for work-welfare programs.

- **As of late 1986, eleven state work-welfare programs appear to be more comprehensive than others, based on geographic coverage, range of employment, training and supportive services offered, and state financial or political commitment.** It is perhaps not surprising that of the eleven states that stood out as having the most comprehensive programs, eight came from either the northeast or the west with fairly good economies. Five of the states have regular dual-agency WIN programs and six have the single-agency WIN demo. The eleven states are: California, Connecticut, Delavare, Maine, Massachusetts, Minnesota, New York, Ohio, Oklahoma, Utah, and Vermont.

  In four other states — Illinois, Maryland, Michigan and Virginia -- there are also comprehensive program models available, but considerable variation by county. That is, not all program counties are necessarily operating comprehensive programs.

  Seven states seem to have very minimal work-welfare programs: Alabama, Arizona, Hawaii, Kentucky, Louisiana, Mississippi and New Mexico.

- **There is great variation among states in hov work-velfare programs are organized.** Twenty-five states in 1986 had "umbrella" systems that integrated different work-welfare components. Some of these umbrella programs include all federal options except food stamp job search, some administer all federal non-WIN options together and maintain WIN separately, and at least eight states have to some degree integrated work programs for general assistance recipients with their AFDC work programs.

- **JTPA is increasingly important in state work-velfare programs.** All states refer clients to JTPA. In nineteen states JTPA is actively encouraged to serve AFDC clients (e.g., there are special state JTPA performance standards for serving more AFDC clients, some training

slots or programs are set aside specifically for AFDC recipients, or JTPA and the work-welfare programs operate some joint components such as Job Clubs). In another nine states JTPA is even more directly involved by actually delivering some of the components for the work-welfare system in at least some parts of the state; and in two of these states JTPA has contracts to deliver some work-welfare services statewide. Nevertheless, many state work program administrators complained that only the most employable welfare clients can be accepted for JTPA-funded training.

- Supportive services are limited in most work-welfare programs. Federal resources for services are very limited and lack of transportation, day care and health coverage are considered serious problems for clients who become employed. Although nearly all administrators agreed that transitional services are important to the success of their programs, few states have been able to contribute substantial state money for these programs: eight to ten states have allocated special funds for child care and only four states have extended Medicaid benefits for job finders past the time allowed by federal law (although ten states are considering changes in health benefits).

One of the most obvious results of federal policy actions in the work-welfare area is that there is today very little program information that can be used to estimate the scope and impacts of the national work-welfare system. There are few federal reporting requirements for WIN, WIN demo or the AFDC optional components, and very substantial definitional variations exist across states and across programs within some states for how participants and outcomes are reported. The result is that it is virtually impossible to obtain comparable program activity and outcome data across states.

Implications for Federal Policy

Every year since 1981 welfare reform has been raised at the federal level, with minimal results beyond enacting some fragmented policy changes. The issue is receiving more intense political and Congressional attention in 1987 and some more substantive changes may be forthcoming. Meanwhile, there is no question that in recent years several states have taken the initiative in developing innovative work-welfare programs, contributing both funds and policy ideas. Nevertheless there is considerable variability across states in the political and financial commitment to work-welfare.

Several recommendations and implications for federal policy are presented in Chapter 4, including the following.

- Some Congressional action on work-welfare policy is urgently needed soon. In many states it may be very difficult to regain the momentum and expertise in work-welfare programs if Congress does not take action soon. Without federal direction and consistent funding, programs in several states may cease to function. Even some of those with comprehensive programs in 1986 may have to significantly reduce their services. Several administrators expressed a serious concern that they are losing some of their more experienced and capable staff who are being reassigned or requesting transfers.

- **The most critical need now is a clear and long-term commmitment by the federal government to fund work-welfare programs.** The annual battle for the past seven years over WIN and its funding, and the frequent instructions to close down, then start up, the program has placed a severe administrative and operational burden on many states.

- **There are several different types of state work-welfare programs; Congress should understand and consider the ramifications of various decisions on the different types of states.** Perhaps fifteen states appear to have particularly comprehensive programs; but at least seven have very limited programs. Most states fall somewhere in between these two extremes; that is, they essentially have programs that emphasize job search assistance, and are not in a position fiscally or politically to increase their funding for work programs.

  It would be unwise to pattern federal legislation after the heavily-funded experiences in the few exemplary states and demonstration programs without a substantial commitment of federal resources for training, education and supportive services.

- **If Congress intends to improve on the system that now exists, any new legislation must allow for at least as comprehensive a mix of employment, training, education and supportive services as is currently available.** Most of the debate on the work-welfare portions of the proposed bills focus on financing mechanisms and funding levels.

  The relationship between funding and services is clear. Intensive training and services are needed to significantly reduce welfare dependency; and those services are relatively expensive. If Congress wants a nationwide work-welfare system that consists of more than just job search programs, then a substantial federal commitment of resources is necessary. Otherwise, a number of states will operate limited service programs.

- **Legislative objectives, performance standards and reporting requirements must also emphasize intensive services.** Many state administrators indicated that it is not just limited funding that pushes many programs to emphasize non-intensive activities such as job search. They particularly noted (1) national and state political pressure for employment and training programs (i.e., WIN/WIN demo, JTPA and state programs) to show that they have placed large numbers of welfare clients into jobs; and (2) federal reporting requirements that request little information other than the number of clients and the number of placements.

- **Unless JTPA is redirected to emphasize remedial education and long-term training it is not likely to serve as a viable option for large numbers of AFDC clients.** JTPA is clearly becoming a major part of work-welfare programs, to the point that in a number of states JTPA receives funds from the work-welfare program to deliver certain components or services. However, many of the training programs funded by JTPA have entry requirements that preclude many AFDC clients from participating, and emphasize short-term training. Many welfare recipients require basic remedial education and long-term training to become self-sufficient. Thus, although JTPA is a valuable source of training for

many welfare clients, as it is nov designed it is not an option for most.

- Federal action must be taken to encourage coordination among the various relevant federal programs and regulations. This goes beyond simply coordinating the activities currently funded under WIN and the AFDC work options. JTPA, Vocational Education/Perkins Act and Title XX funds and programs are critically needed by state welfare-employment programs, particularly in those states that do not have state funds appropriated for the programs (beyond the required matching amounts) due to fiscal or political limitations.

  Single-agency administration of work-welfare programs will not necessarily solve the coordination problems, especially if the food stamp employment and training program remains separate from the AFDC work programs.

  The JEDI legislation would increase the financial incentives for the welfare-work programs and JTPA to coordinate more closely in some states. Another possible way to encourage coordination might be to eestablish a federal interagency committee on work and training programs (DOL, HHS, the Food and Nutrition Service and the Department of Education) to develop coordinated reporting requirements, program communications, technical assistance and performance criteria for JTPA, WIN (or its replacement), Perkins Act programs, the ES, and the food stamp employment and training program.

- A "mixed" financing method might best assure that all states operate a work-welfare program at some basic level and still encourage states to expand their programs if the state political and financial support are available. Each state could receive a basic allocation requiring a small state match; but the amount could be exceeded if the state can meet a higher matching rate. This would be similar to the funding provisions for the current food stamp employment and training program and the proposed Hawkins bill.

  About ten states have appropriated substantial amounts of state resources for work-welfare programs; and presumably these states would continue to do so, regardless of the federal financial participation rate. However, most other states will probably have difficulty gaining and retaining the political support that would be needed to significantly increase state appropriations, especially in those states where welfare and work programs are considered a lov priority.

Given the urgency that many state work-velfare programs are nov facing, it may make more sense for Congress to immediately consider work-welfare legislation or reform, separately from other velfare issues, perhaps building on the JEDI and Havkins bills, revising the current WIN legislation or enacting work-program portions of other proposals. One message from the states is that the national income maintenance system will survive with or without federal velfare reform; the national work-welfare system, however, may not survive unless some federal policy action is taken soon.

CHAPTER 1

INTRODUCTION

Since 1967, able-bodied adult recipients of Aid to Families with Dependent Children (AFDC) without children under six years of age, have been required to register with the Work Incentive Program (WIN) and be available for employment, seek employment or participate in training activities. WIN has thus been called upon to both enforce the work registration requirement and provide employment, training and supportive services to enable clients to become self-sufficient. The program has, for various reasons, been criticized on both counts: some critics feel the work requirement and enforcement is not strict enough; others feel the employment, training and support services are not intensive enough.

Federal policy regarding work requirements and employment and training programs for welfare recipients has been in a state of fluctuation and uncertainty over the past six years. Debate and controversy has increased steadily since 1981 when the Reagan administration first attempted to reform the welfare system, in part by strengthening the requirements that AFDC recipients work as a condition of continued eligibility for AFDC benefits. Congress has rejected the administration's strictest proposals, called workfare, that would require welfare recipients throughout the nation to work in unpaid public jobs in exchange for their benefits. States, however, have been allowed to adopt AFDC workfare and other alternative policies on an optional basis in addition to the basic federal/state WIN program. At the same time, though, the federal funding for WIN has been gradually reduced from $395 million in fiscal year 1980 to $133 million in fiscal year 1987.

Several legislative proposals for reforming the work-welfare system have been introduced in Congress, and numerous organizations, governors and

prospective presidential candidates have put forth welfare reform proposals centering primarily on work and training activities. Around the country there is also a proliferation of programs, demonstrations and initiatives. The combination of increased interest and debate at both the federal and state levels suggests that Congress may be more likely than in the past several years to take some concrete action on work-welfare policy within the next year.

This report is the first in a series of Urban Institute papers examining the current welfare-employment system nationally. The purpose of this report is twofold. First, the status of employment and training programs and policies for recipients of AFDC, general assistance and food stamps in all states is documented. Second, given the present situation in the states, the implications for major federal welfare reform legislation are addressed.

The remainder of this chapter discusses the objectives of the entire study and how information was obtained for this report. Chapter 2 provides the historical context within which current work-welfare policy is placed. The general status of programs and policies in all states is presented in Chapter 3, and Chapter 4 discusses implications for federal policy.

Study Objectives

The overall objective of this report is to examine national and state policies related to work requirements and work and training programs for recipients of public assistance. The public assistance programs of interest are Aid to Families with Dependent Children (AFDC), food stamps and state general assistance (GA). More specifically, the intent is to:

- Describe the current national welfare-employment system by documenting the status of policies and programs at the state level.
- Identify and analyze patterns or differences among states in how welfare recipients are being served through WIN, programs under the Job Training Partnership Act (JTPA), and other work and training programs.

- Based on the actual nature of state policies and programs, address the implications of various alternatives currently being considered for federal welfare reform policy.

There are two subsidiary and related objectives. First, it is the intent of this report to help provide a national context within which the many exemplary and highly publicized work-welfare programs can be placed. Several programs have received substantial attention over the past five years, particularly those in California, Massachusetts, Michigan and New York, and those participating in the Manpower Demonstration Research Corporation's (MDRC) Work and Welfare Demonstration project. The federal policy debate will benefit from a clearer understanding of how typical or atypical these programs are and the extent to which they represent what is happening in all states. Second, this report attempts to provide an historical context for the current welfare reform debate. There is a renewed interest in work requirements, training, employment and education policies for welfare clients, especially AFDC, but there is little discussion about either the long history of welfare-employment programs (over the past three decades), or the operational effect of federal budget and policy directions over the past seven years.

The overall study has three phases. Phase I, on which this report is based, consists of compiling existing data on state work-welfare programs and integrating that data with the results of a survey of program administrators in all states. Phase II includes analysis of data from the Job Training Longitudinal Survey (JTLS) and state JTPA program data reported to DOL, as well as a survey of a sample of local JTPA service delivery area (SDA) administrators. Phase III will include on-site interviews in a selected number of communities to document the interaction among programs and services for public assistance clients.

The primary sources of data for this report are described in the following section.

Documentation of State Work-Welfare Programs

The information presented in this report draws from several different sources:

(1) A survey of the literature and budget data on past work-welfare programs.

(2) Telephone interviews with state administrators and staff responsible for WIN, WIN demonstration programs and state work programs in all states.

(3) Review of information previously obtained through other state surveys conducted by the U.S. General Accounting Office, the National Governors Association, the American Public Welfare Association, the National Conference of State Legislatures. Representatives from these organizations as well as from the Congressional Budget Office and MDRC were consulted during the design period of the study.

The interviews with state program administrators are the primary source of data. The interviews were conducted by phone between November 1986 and March 1987. A total of 115 persons were interviewed in all fifty states plus the District of Columbia.[1] Given the complexity of the issues and of the programs that exist, a team of six Urban Institute researchers, all with similar experience on previous projects, conducted the interviews. The use of

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1./The interview time averaged forty-five minutes to two hours per respondent. If one person in the state completed the entire interview, it usually took about two hours. Often, however, different people were needed to answer different questions. Further, in those states where the Employment Service played an important role in the work-welfare system, a representative from this agency as well as the state's welfare department would be interviewed, although not necessarily for two hours each. On average 2.3 persons were interviewed in each state, with a minimum of one and a maximum of five per state. Altogether, approximately 765 calls were made, about fifteen per state, to set up the interviews, undertake the interviews, and follow-up on responses when necessary. A minimum of three and a maximum of forty-four calls were made per state.

experienced researchers was essential for assuring that the most appropriate respondents were identified and that all program issues were clarified satisfactorily.

The interviews addressed the following topics:

- a description of the work-welfare system in the state (clients served, components offered, counties covered, administering agencies, interagency cooperation, etc.);
- respondents' opinions about the success, strong points and problem areas of their programs;
- the effects of federal funding and policy changes on the state and anticipated or proposed changes;
- new initiatives being considered by the state; and
- definitions used in the state to generate program statistics.

It was a wide ranging interview, therefore, with many qualitative questions. Once a state's interviews were completed, the primary respondents were sent a data questionnaire and asked to record basic program statistics for the two most recent years (either federal fiscal years 1985 and 1986, or if the state has a different fiscal year, the two most recent state fiscal years). The following information was requested for each program: number of participants (by sex, program--AFDC or GA--and mandatory status), job placements (full-time and part-time), and funding (federal, state, and daycare). Very few states were able to submit data in this level of detail. Further, there is little consistency in data and definitions across programs and across states.[2] Therefore, this report does not provide program statistics; rather it relies largely on answers given in the telephone interviews. A future report will summarize the state program activity and funding data.

2./Several telephone calls made to some states were needed to clarify state program data and definitions.

Thus, this report is primarily descriptive. Before describing work-welfare programs operating in all states, the next chapter presents a general overview of the development of federal welfare-employment policy. This historic summary provides a useful context for examining current and future policies.

CHAPTER 2

THE HISTORIC CONTEXT OF FEDERAL WELFARE-EMPLOYMENT POLICY

Since the 1930s, the federal-state welfare system has become increasingly complex, but the two basic dimensions of the system continue to be: (1) the provision of cash, or income, assistance; and (2) the provision of services and goods, such as food stamps, social services, employment and training assistance, health and housing benefits. Over the years, there have also been periodic attempts to reform the welfare system by tinkering with either the cash side or the services side or both.[3] The various welfare reform efforts have typically had two objectives: first, to reduce the welfare rolls, or slow down the increase in the rolls; and second, to help more recipients become self-sufficient. At both the federal and state levels today, welfare reform has once again become a priority issue.

A central part of the welfare system involves work requirements, training and employment programs for public assistance recipients. At

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3./A review of the trends in social programs for the poor over the past twenty-five years can be found in Gary Burtless, "Public Spending for the Poor: Trends, Prospects, and Economic Limits" in Sheldon Danzinger and Daniel H. Weinberg, eds., Fighting Poverty: What Works and What Doesn't (Cambridge: Harvard Unversity Press, 1986) and Jack A. Meyer, "Budget Cuts in the Reagan Administration: A Question of Fairness" in D. Lee Bawden, ed., The Social Contract Revisited (Washington, D.C.: The Urban Institute Press, 1984).

different times over the past several decades, welfare recipients have been either encouraged or required to engage in various employment or employment-related activities, with the hopes of reducing or eliminating their dependence on welfare. Federal welfare-employment policy has really gone through several phases: the years preceeding the 1967 implementation of the Work Incentive Program (WIN); the 1967-1981 period centering around WIN; and the period since 1981.

The purposes of this chapter are (1) to briefly summarize the development of work-welfare and employment and training policy up to, and including, the welfare reform proposals being considered in 1987;[4] and (2) to describe and define various program services and terminology referred to in subsequent chapters of this report.

Early Work-Welfare Policies: Pre-1967

The Work Projects Administration (WPA) activities of the thirties initiated the involvement of the federal government in employment programs for public assistance recipients, both in terms of funding and in designing the programmatic strategies.[5] During the 1930s, federal work relief projects were established to provide public jobs for millions of unemployed persons. Work relief participants typically received a salary higher than what they would have received on public assistance, and the salary was essentially subsidized by the federal government. Most WPA workers were

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4./A table presenting a brief chronology of federal work-welfare policy can also be found at the end of this chapter.

5./James T. Patterson, America's Struggle Against Poverty: 1900-1980 (Cambridge, Mass., Harvard University Press, 1981).

unemployed, skilled men who had work experience, although some projects were developed for women and youth.

Before the 1930s, it was quite common, both in the U.S. and other countries, for local jurisdictions to require relief recipients to work in exchange for their welfare payments. In some cases the participants received no compensation other than their regular welfare payment; in other cases they received compensation above their regular welfare payment. (Most state and local work relief participants were men.) The new feature of the WPA was that everyone received payment and that the costs were borne mainly by the federal government rather than by states and localities. At the national level, WPA was administered by a separate independent agency, and at the local level the new U.S. Employment Service (ES) offices were responsible for creating and filling the jobs. Entry of the U.S. into World War II alleviated the severe unemployment problem and the WPA projects were terminated.

Federal work-welfare policies did not again surface until 1962 when states were given the option of allowing families with unemployed fathers to qualify for Aid to Families with Dependent Children (AFDC). Before this time, Aid to Dependent Children (ADC), which was enacted in 1935, had been available only to children or to families without a father or those with a disabled father. Since more able-bodied men were expected to be on welfare in states that had AFDC for unemployed parents (AFDC-UP), the Community Work and Training Program (CWT) was enacted by Congress.

The CWT program was optional to states and allowed welfare agencies to require men to work off their grants in work or training projects.[6] The

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6./A discussion of the origins of CWT can be found in Sar A. Levitan, Martin Rein, and David Marwick, Work and Welfare Go Together, (Baltimore: Johns Hopkins University Press, 1972).

emphasis of CWT was on training, rehabilitation and "enrichment". At the same time, there was increased federal priority placed on social services and the use of professional social work methods to help all welfare clients. The CWT and the social services programs were both administered by the Department of Health, Education, and Welfare (HEW) and the state and local welfare agencies.

The optional work programs in the early 1960's were accompanied by other significant federal changes related to AFDC. The original Social Security Act of 1935 was essentially enabling legislation that alloved states to participate in federal cost-sharing for the Aid to Dependent Children program. States had substantial discretion and there were minimal federal requirements. There were no national eligibility or needs standards. Before 1950, federal funds could only be used for aid to children, and could not be used to finance assistance to a mother or other caretaker, although states could fund their own programs for caretakers.

Thus, from 1935 through the mid-1960s there were wide disparities across states in the types of assistance programs offered for children and their caretakers. There are many reports that some states excluded certain groups from ADC in various ways. For example, in several states, welfare agencies could declare children ineligible if they lived in homes considered "unsuitable" or if there were "illegitimate" children in the family. Some states reportedly had racial quotas that limited the proportion of the caseload that was nonwhite.[7]

7./Winifred Bell, Aid to Dependent Children (New York: Columbia University Press, 1965).

Federal legislation in the 1960s, gradually transformed the AFDC system into a more national program, although the states continued to retain much authority and to finance about fifty percent of the costs. Beginning in 1962 when federal law allowed AFDC-U components and prohibited states from using "suitable home" provisions, the role of the federal government increased, at least partly in response to the inequitable treatment of individuals across states. By the end of the 1960s, there were numerous federal regulations governing eligibility conditions and the eligibility determination process, social services standards, work requirements and incentives, systematic reporting and administrative requirements, and new programs and demonstrations for providing health care and food stamps.

Paralleling the policy developments for welfare recipients, major federal employment and training initiatives for the economically disadvantaged (who may or may not receive welfare payments) were also enacted in the early 1960s under the Manpower Development and Training Act of 1962 (MDTA) and the Economic Opportunity Act of 1964 (EOA).[8] MDTA was the first major comprehensive federal training legislation since the 1930s, and was enacted to address both the growing rate of unemployment and the changing structure of the American labor market. The original focus was on retraining adults, in reaction to the fear that jobs might be lost to automation. By 1966, however, the emphasis had shifted toward alleviating poverty and discrimination, in line with the overall philosophy of the Great Society.

8./MDTA and EOA training programs are reviewed and evaluated in Charles Perry, et al., The Impact of Government Manpower Programs (Philadelphia: University of Pennsylvania, 1976). See also Sar A. Levitan, Antipoverty Work and Training Efforts: Goals and Reality, (Ann Arbor: Institute of Labor and Industrial Relations, 1967).

Under MDTA, the U.S. Department of Labor (DOL) had responsibility for administering over 10,000 separate local service delivery contracts, many of them with community-based organizations as well as with established agencies such as the Employment Service and educational institutions. This program created a large new administrative responsibility for the Department of Labor.

The Economic Opportunity Act also included major employment activities: Job Corps, administered by the new Office of Economic Opportunity in the Executive Office of the President; Work Training for Adults and Youth--including Neighborhood Youth Corps, Operation Mainstream, and Concentrated Employment Programs--administered by DOL; and, under title V, the Work Experience Training Program for welfare recipients, administered by HEW.

Thus, while DOL continued its traditional role in federal employment policies in the 1960s, welfare agencies also became involved with federal employment programs by administering CWT in 1962 and Title V in 1964. The extent of their involvement, however, varied considerably across the nation. The CWT never became a high priority with states, and by the time EOA was passed in 1964, only 10 states had adopted the program.[9] Title V programs were somewhat more extensive, since every state was required to have some type of Title V project. Local welfare agencies, though, had substantial discretion in the design of their Title V projects, which could include income support, work relief, training, job placement, education, and on-the-job training that allowed diverting the welfare grant to an employer subsidy. Local agencies submitted project proposals through their state welfare agencies to HEW. Although every state had some Title V

9./Sar A. Levitan and Garth L. Magnum, Federal Training and Work Programs in the Sixties (Ann Arbor: Institute of Labor and Industrial Relations, 1969).

activity, the response was again quite limited. Some states had very low participation, and most resources went to just a few states. For example, Kentucky had the most Title V funds -- 16 percent of all Title V funds.[10] Even today, though, many state and local staff in welfare agencies express pride in their old Title V programs.

Since 1963 there has been considerable controversy over where employment programs should be located (at both the national level and the state and local levels). Beginning with the legislative hearings that preceeded the passage of the Economic Opportunity Act, the Department of Labor has argued strongly that all employment and training activity should be in DOL, while HEW officials argued equally strongly that all programs for welfare recipients should be in their agency.[11]

The battle over organizational control continued through the 1966 Congressional debates. However, given the low level of Title V participation and increasing complaints from various agencies that welfare departments were not coordinating with other relevant programs administered by MDTA, Community Action Agencies, the Employment Service and vocational rehabilitation, HEW was not in a strong position to retain control of Title V. A congressional compromise required DOL and HEW to jointly administer Title V and when the 1967 amendments to the Social Security Act replaced Title V with the Work Incentive Program (WIN) this dual-agency structure was maintained.

10./Levitan and Magnum, Federal Training and Work Programs.

11./Sar A. Levitan's book The Great Society's Poor Law (Baltimore: The Johns Hopkins Press, 1969) discusses the conflicts between DOL and HEW.

The WIN Years 1967-1981

Since 1967 WIN has been the centerpiece of federal welfare-employment policy. The program was created by the 1967 Social Security Amendments, and its primary purpose has been to move AFDC recipients into productive jobs and off the welfare rolls. This section first summarizes the development of WIN and the policy shifts that occurred between 1967 and 1981. Then the dual agency structure of WIN is described, followed by a summary of WIN funding and activity levels. Finally, other related policies in the 1970s, primarily CETA and welfare reform initiatives, are briefly noted.

WIN Policy Shifts

Between 1967 and 1981, WIN evolved in three important ways. First, legislative and policy changes gradually shifted the program service emphasis from vocational training and supportive services to job search assistance and a priority on immediate unsubsidized employment. Second, legislation transformed WIN from a voluntary program for AFDC recipients in 1967, to a mandatory program for most AFDC adults with school age children beginning in 1972. Third, primary responsibility for the AFDC work program gradually shifted from welfare agencies to the state employment security agencies. Welfare agencies were solely responsible for work programs before 1967, responsible for registration and social services under WIN from 1967 to 1975, and responsible only for providing social services between 1975 and 1981.

These program shifts represent four fairly distinct phases, each having slightly different priorities and emphases. During all four phases, WIN has been heavily criticized for (a) not serving significant portion of the AFDC population, and (b) not significantly reducing the welfare rolls and

costs. The shifts in WIN policy were made in part to address these criticisms.

WIN I (1967-1971) focused on encouraging AFDC recipients to participate in the program and emphasized the provision of social services and training. The 1967 Social Security Amendments which created WIN, also enacted the "thirty and one-third" provision by which the first thirty dollars earned by a recipient each month and one-third of the remaining earned income was disregarded by the welfare department when calculating the amount of the welfare grant. Thus, the focus from 1967 to 1971 was on providing encouragement and financial incentives to work, and employment and training assistance.

In these early years of WIN, the primary services provided were training, education, social services and counseling. Work experience components, where clients were assigned to work in public agencies for short periods of time to gain exposure to the workplace environment, were also alloved under WIN. Participation in work experience was limited to thirteen weeks, and was used almost exclusively for those clients who had no prior work history or had not worked in many years. Federal AFDC regulations prohibited actual work relief projects which require recipients to work in exchange for the welfare payment, although many state and local jurisdictions continued to require such work from general assistance recipients.

WIN II (1972-1975) represented a significant change by emphasizing mandatory participation requirements and direct job placement rather than voluntary participation and training. Before 1972, only men in AFDC-UP families and teenage dependents who were not in school were required to participate in WIN. The 1971 Amendments (called the Talmadge Amendments) required all adults to register and cooperate with WIN unless they were

aged, were incapacitated, lived in remote areas, were at home caring for an incapacitated adult, or had children under six years of age.

The expansion of mandatory registration requirements meant that the WIN and AFDC systems at the state and local level had to develop the capacity to determine compliance with the requirement and to sanction those clients who did not cooperate with WIN. A complex and lengthy adjudication and appeal process developed as a result of the mandatory registration requirement. In addition, complex administrative mechanisms had to be established, since only the parent's portion of the grant was reduced if she did not cooperate with WIN; her children remained eligible, but the family's total grant was less. This meant that welfare agencies had to develop "protective payment" policies in some cases to channel the children's grant through second parties (e.g., landlords, relatives). The AFDC sanctioning process has since become extremely complex administratively.

The shift to mandatory participation in 1972 also led to an increase in direct job development and placement activities (similar to services provided by the Employment Service), and a de-emphasis on training. In light of the legislative shift away from institutional training and education and the parallel shifts towards subsidized employment generally (under MDTA and the Emergency Employment Act), Congress required that at least 30 percent of all WIN funds were to be spent for on-the-job training (OJT) and public service employment (PSE).

The federal WIN program was then redesigned in 1975, in part to strengthen the work requirement provision. The "redesign" essentially meant that clients were required to register with the local WIN employment and training staff (usually in the ES), rather than at the welfare department. The objective was to expose individuals to labor market

information and to place them into jobs immediately. Thus, the main focus was on direct job placement of the most employable clients, with somewhat less focus on supportive services.

Between 1976 and 1980, federal WIN policy gradually shifted from emphasizing immediate job placements to a more "balanced" approach among job placement, training, counseling, supportive services, and provision of more costly and longer term services and training. Part of the "balanced mission" of the late 1970's was to improve the quality of the job placements in terms of entry wage rates and job retention.

Also during this period, emphasis was placed on performance and management improvement, and an extensive WIN research and demonstration agenda was undertaken. On the management side, WIN adopted a performance-based funding allocation system that attempted to shift the program toward quality jobs and intensive services. Similarly, many new program initiatives and service approaches were implemented including the Supported Work Demonstration, WIN Research Laboratories, and the Azrin Job Club Demonstration.

Among the more significant of these efforts were projects that developed and tested job search assistance models. The group approach to providing job search instruction and assistance gained increasing attention after the 1977 Azrin Job Club Demonstrations. In the late 1970's there was a great proliferation of Job Clubs, Job Factories, Self-Directed Placement and other models of group job search assistance in WIN, CETA, the ES and other employment and training programs.

Although there are variations among different models, the general objectives of group job search assistance are to (1) provide participants with knowledge and skills needed to look for and keep a job; (2) instill motivation and self-confidence in the participants, through peer support

and interaction; (3) ensure that participants intensively pursue job interviews through structured telephone contacts, sharing of job leads, and screening other sources of job openings; and (4) move participants as quickly as possible into a job. The primary administrative attraction of group job search was that one or two staff members could simultaneously serve a large group of clients, in sharp contrast to the more traditional individual counseling approach.

Thus, through the years, WIN has provided and developed various types of services, including: job counseling, job placement, work experience, on-the-job training, institutional and vocational training, public service employment, employability assessment and career planning, job search instruction (especially group job search assistance), child care, transportation allowances, and allowance payments while in training.

The current phase of the program, discussed separately below, began in 1981 when the Reagan administration first proposed eliminating WIN and replacing it with a mandatory program which would require AFDC recipients to work in exchange for their benefits--that is, workfare.

The Dual Agency Structure of WIN

The WIN program is unique among federal programs in that it is jointly administered by two agencies at each level of government.[12] At the federal level a National Coordinating Committee, which includes the Assistant Secretary of Labor for Employment and Training and the Director of the Family Support Administration in the Department of Health and Human

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12./This section describes the WIN structure before 1981. The single-agency option is described below under the discussion of the policy changes instituted since 1981.

Services, has overall responsibility for the program. (Until 1986, within HHS, WIN was under the Administrator of the Office of Human Development Services.) The National Office of Work Incentive Programs is located in DOL, but is an integrated unit composed of staff from both DOL and HEW. This dual agency structure is replicated at the federal regional level.

In 1978, in all but two states, the state employment security agency (SESA) was the designated WIN sponsor, although federal legislation does not specify this arrangement. Every state welfare agency, however, has been required to have a Separate Administrative Unit (SAU) specifically responsible for WIN activities. Unlike the integrated WIN units at the federal level, state WIN sponsor and SAU staff are generally located in their respective agencies. In 1978, in about ten states the sponsor and SAU staff were collocated, but personnel reported to separate managers.[13]

At the local level the WIN program is operated under the joint administrative authority of the welfare agency and the employment security agency. Within the welfare agency, WIN is either organizationally under the income maintenance division, the social services division, or a separate employment or work division. Within the employment security agency, WIN is either organizationally under the employment service (ES), or is a separate program lateral to the ES.

Over the years, the dual agency structure of WIN has been both praised and criticized. The structure has provided the opportunity to draw on the expertise and services available in each agency to help clients. Yet, the

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13./For a discussion of the WIN organizational structure, see J. Mitchell, M. Chadwin and D. Nightingale, Implementing Welfare-Employment Programs: An Institutional Analysis of the Work Incentive Program, The Urban Institute, October 1979.

dual agency system is more difficult and complex to administer. If the two agencies have cordial relationships and the staff units communicate and coordinate with each other as well as with their parent agencies, the dual structure can benefit the provision of client services. If there is tension or hostility between the two agencies, or if one or both of the parent agencies relinquish responsibility for the program, then the dual structure can hinder effective implementation.

Nevertheless, past research suggests that, in terms of program effectiveness, the organizational location of WIN is not very important. What does matter is the amount of priority placed on the program by at least one of the host agencies, and the coordination between the relevant agencies that administer various services needed by clients. A common complaint of local WIN staff in the late 1970's was that the program had very low priority within both the welfare department and the employment security agency. High-performing WIN programs, however, generally were in states where either the employment security agency or the welfare agency (or both) considered employment and training activities for welfare recipients to be a high priority.[14]

Related Policies in the 1970s

During the 1970s, other federal policy developments also affected WIN. The general policies for employment and training for economically disadvantaged persons under CETA, and the major attempts at welfare reform are briefly noted in this section.

CETA. In the early 1970s, general employment and training programs funded under MDTA, and the Comprehensive Employment and Training Act

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14./ Mitchell, Chadwin and Nightingale, Implementing Welfare-Employment Programs.

(CETA), which replaced MDTA, had two fairly separate objectives. First, the programs were to address the employability problems of economically disadvantaged persons particularly by funding vocational training, remedial education and subsidized on-the-job training with private employers. Participants received allowances and stipends while they were in training and various supportive services were available. In addition, CETA was charged with creating hundreds of thousands of public service jobs to help reduce high levels of unemployment. At its peak in 1979, $10 billion a year was provided by the U.S. Department of Labor under CETA. The funds were for training and the PSE programs, as well as for Job Corps, the Summer Youth Employment Program and special demonstration programs for disadvantaged youth.

There was much criticism about CETA in its early years, particularly because of reported fraud and misuse of PSE funds. In response to this criticism, the 1978 amendments to CETA retargeted the programs to focus on the most disadvantaged clients and on youth. As a result, more welfare recipients were able to participate in CETA training programs. By 1981, over 200,000 AFDC recipients were in CETA training, and over 90,000 were in a PSE job.[15]

Welfare Reform. Two major attempts were made in the 1970s to reform and improve the welfare system.

The Family Assistance Plan (FAP) proposed by the Nixon Administration in 1969 provided a basic federal payment to all families with little or no income and permitted states to supplement that benefit. A slightly

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15./CETA program data are taken from The 1982 Employment and Training Report of the President.

modified version of the President's plan passed in the House in 1970; but the Plan never was reported out of the Senate Finance Committee. Liberals, who felt the plan was too modest, and conservatives, who felt it extravagant, joined in defeating the bill.[16]

The Carter Administration's welfare reform proposal, called the "Program for Better Jobs and Income" did not fare any better than Nixon's FAP. The debate in the mid-1970's centered around providing a minimum guaranteed income, training and supportive services, and a guaranteed public service job with the government as the employer of "last resort." The welfare reform attempts in the late 1970s did not materialize, but large scale demonstrations, called the Employment Opportunities Pilot Projects, were carried out in twelve cities to (initially) test the concept of voluntary participation in employment and training programs, and creation of large numbers of public service jobs. Eventually, the EOPP demonstrations focused primarily on various models of group job search assistance as a mandatory activity for AFDC clients subject to WIN requirements. The WIN and EOPP job search programs contributed to the expanding interest in group job search models.

Thus, two major comprehensive welfare reform attempts in the 1970s were not successful, despite several years of proposals and hearings.

WIN Program and Funding Levels

Before examining the latest proposals for reforming the welfare system and the current status of work-welfare programs at the state level, it is useful to briefly summarize some basic program and funding information

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16./Henry J. Aaron, "Why is Welfare So Hard to Reform?" (Washington, D.C.: The Brookings Institution, 1973).

about WIN. The primary group exempt from WIN consists of those AFDC mothers whose youngest child is under six years of age. Over the past ten years about 35 percent of all adults heading AFDC households have been subject to WIN. This means there are about 1.6 to 1.7 million potential mandatory WIN registrants. As indicated in Table 2.1, federal funding for WIN has gradually declined from $385 million in FY 1979 to $227 million in FY 1986, with a peak funding level of $395 million in FY 1980. That is, federal WIN funding declined by 41 percent between FY 1979 and FY 1986. When adjusting for inflation, this represents a 56 percent budget reduction over the eight year period. (Using estimated outlays for FY 1987, there will be a 77.5 percent budget reduction between FY 1979 and FY 1987.)

The implication of this budget reduction on the program is dramatic. It is obvious that WIN has never received substantial funding. At the peak of the program in FY 1980, the funding (90 percent of which comes from federal funds) provided on average about $250.00 for each potential WIN registrant. By FY 1986, available funds had declined to about $140.00 per potential registrant.

One ongoing criticism of WIN is that the program serves only a small proportion of all registrants. It is useful to summarize a few program statistics. First, in 1981 (the last year for which there are national program data) about 50 percent of the 1.6 million registrants were "served." The rest were placed in an "unassigned," or holding, category. This means that in FY 1981, about 800,000 persons were provided some service by WIN. The services ranged from minimal counseling and testing to job search training, job placement or vocational training.

Second, although the number of WIN registrants is about the same as the number potentially mandated to participate, some clients who would be mandatory are exempt because they live in remote areas. There is no

Table 2.1

Federal Budget Outlays for
The Work Incentive Program
(FY 1979 - FY 1987)

	Budget Outlays (millions)
FY 1979	$385.1
FY 1980	$395.2
FY 1981	$381.1
FY 1982	$234.5
FY 1983	$289.3
FY 1984	$264.6
FY 1985	$278.8
FY 1986	$227.3
FY 1987 (estimate)	$110.1
FY 1987 (estimated supplement)	$ 23.0

Percent reduction in federal outlays FY 1979 - FY 1986

Actual Dollars:	41.0%
Constant (1982) Dollars*:	56.2%

Estimated percent reduction in federal outlays FY 1979 - FY 1987

Actual Dollars:	65.4%
Constant (1982) Dollars*:	77.5%

* Constant dollar amounts calculated using the GNP deflator.

SOURCE: Office of Management and Budget, Budget for the Fiscal Year, reports FY 1979 through FY 1987.

information on how many AFDC clients live in remote areas, but about 25 percent (or 400,000) of the WIN registrants in 1981 were volunteers with children under six years of age. This suggests WIN was registering about 75 percent of the potential mandatory population in 1981, and about 20 percent of the potential volunteers with children under six years of age.

Third, about 400,000 WIN registrants entered a job or training in 1981. About 320,000 of these entered jobs that lasted at least thirty days (this represents about 20 percent of all registrants and 40 percent of all registrants who received some active service). The other 80,000 persons (5 percent of all registrants and 10 percent of all active registrants) were in subsidized employment or training through CETA.[17] There is some indication that when relatively high amounts of training were available either through WIN or CETA, AFDC women with young children were more likely to volunteer to participate.[18]

Federal Policy Since 1981

Major federal policy changes were enacted in the 1980s for both general employment and training programs and for WIN/AFDC work policies. First, although the Reagan administration proposals for mandatory workfare have been rejected by Congress each year since 1981, as a compromise, the Omnibus Budget Reconciliation Act of 1981 (OBRA) included provisions that allow, but do not mandate, states to establish workfare under the Community

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17./WIN program data are taken from the FY 1981 "WIN Management Information Report", Office of Work Incentive Programs, Washington, D.C.

18./ Mitchell, Chadwin and Nightingale, Implementing Welfare-Employment Programs.

Work Experience Program (CWEP). OBRA also included other welfare-employment changes, the most important of which was the optional WIN single-agency demonstration program where welfare departments are solely responsible for WIN. Second, CETA legislation was alloved to expire and was replaced by the Job Training Partnership Act (JTPA). Third, beginning in 1987 all states must operate an employment and training program for food stamp recipients. In addition, in 1987 several legislative proposals for welfare reform have been introduced in Congress.

This section summarizes these four significant developments.

WIN and AFDC Changes

The underlying objective of the Reagan administration's proposals have been to reduce AFDC costs and caseloads by making welfare "less attractive than work" and by moving recipients off the rolls as quickly as possible. A priority has been to strengthen the work requirements, including CWEP or workfare by which recipients can be required to work off their grants in unpaid public service employment.

Between 1981 and 1984, partly in response to the administration's continuing proposals, Congress authorized four work-welfare options that states could choose to implement: the single-agency WIN demonstration, CWEP, work supplementation/grant diversion, and job search.[19]

19./The Omnibus Budget Reconciliation Act (OBRA) of 1981 alloved states to adopt the optional WIN single agency demonstration, CWEP and the work supplementation program. The grant-diversion aspect of the work supplementation program vas amended by the Deficit Reduction Act of 1984 to allow jobs in the private sector as well as the public sector to be subsidized. The Tax Equity and Fiscal Responsibility Act of 1982 alloved states to operate job search programs for AFDC applicants and recipients.

The CWEP and WIN single agency demonstration options provide states with great discretion in designing work, training, and work requirement programs. States may also require AFDC clients to participate in job search activities separate from the WIN or WIN demo requirements; and under work supplementation/grant diversion, states can establish special grant diversion programs where the AFDC grant can be used to subsidize training with public or private employers. These major AFDC work program options, which are a primary focus of this report, are briefly described as follows:

- o WIN demo. Governors were allowed to apply to HHS to operate a single-agency WIN program. The WIN demos were originally limited to a three-year period, but the time limit for application and operation of the demo has been extended several times. Technically, the only aspect of WIN that is changed by the WIN demo is the administrative authority. At the federal level, WIN demo is administered by the Family Support Administration in HHS. At the state level, sole administrative authority for the WIN demo program lies with the welfare agency (i.e., the agency responsible for the AFDC program). The federal funding mechanism, allowable activities, and regulations are the same for states in the WIN demo as for those in the regular WIN program, including procedures for requesting waivers (e.g., under Section 1115 of the Social Security Act, states can request waivers from specific regulations related to the AFDC program).

- o CWEP. States may require AFDC recipients to participate in CWEP as a condition of their eligibility. Although federal regulations allow states to include job search and other activities under CWEP, the primary activity, and the one commonly called CWEP, is workfare, whereby clients are required to work in unpaid public service jobs in exchange for their AFDC grant. The number of hours of work are determined by dividing the family's grant amount by the federal or state minimum wage, whichever is greater. States must administer CWEP through the AFDC agency, and must provide (or reimburse clients for costs) for necessary transportation, day care and related expenses. Only public agencies or non-profit organizations can be used as CWEP worksite sponsors. Fifty percent of the costs of CWEP are paid by the federal government and 50 percent by the state/local government.

- o Title IV-A Job Search.[20] States may require AFDC recipients who meet the WIN mandatory registration criteria to participate in job search activities. Applicants for AFDC may also be required to

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20./Title IV-A of the Social Security Act authorizes the AFDC program.

participate if there are clear indications that they will be WIN mandatory. The state may require that clients conduct job search for a period of up to eight weeks, beginning as early as the time of application. Subsequently, clients may not be required to conduct more than eight weeks of job search in any consecutive twelve month period. The job search program can include a group job search assistance component, or clients can be required to make a certain number of independent job search contacts. The costs of IV-A Job Search programs, which must be state-vide, are shared equally by the federal and state governments (i.e., fifty-fifty funding).

- o Grant Diversion/Work Supplementation. States may establish grant diversion programs under which the AFDC recipient's grant is used to subsidize on-the-job training with a public or private employer. That is, the client is paid a standard wage by the employer for the job, but part of the wage is subsidized by the government.

These options plus the continued uncertainty about future WIN funding have significantly altered the shape of state welfare-employment programs. State welfare departments have very clearly moved back into the work and training field. Employment security agencies no longer dominate and in many states have no involvement at all in welfare-employment programs. In both regular WIN and WIN demonstration states (or WIN demos), welfare departments are increasingly involved by either totally administering work programs, administering certain components such as CWEP or job search for AFDC applicants or food stamp clients, or providing employment services to WIN inactive registrants (the WIN "unassigned pool").

The aggressive emphasis that has been placed on state flexibility under the WIN demo has contributed to substantial new activity and momentum in the area of welfare employment at the state level and has provided new political visibility and priority on work programs that had not existed before. At the same time, a recent report by the U.S. General Accounting Office suggests that the variety of options available produces "a patchwork of administrative options and lack of overall program direction."[21]

21./U.S. General Accounting Office, Work and Welfare: Current AFDC Work Programs and Implications for Federal Policy, (Washington, D.C.: Government Printing Office, 1987).

One byproduct of this "patchwork" policy is that there is very little nationvide information about work-welfare programs. Responsibility for the WIN program is split between DOL/HHS (for regular WIN states) and HHS (for WIN demo states). Federal reporting for regular WIN programs has gradually been reduced, and WIN demo reporting requirements are minimal. There are no regular reports on activity under IV-A job search, CWEP or grant diversion programs, but fiscal reports are maintained at the state level for documenting the federal financial participation. One reason for conducting the present study is to attempt to provide an overall picture of the system operating throughout the nation.

In addition to the work program options authorized since 1981, federal legislation has also altered the regulations regarding the treatment of earned income of AFDC recipients. Under current AFDC regulations (1987), the following portions of monthly income are disregarded (i.e., deducted from gross income) when calculating the monthly grant level to which a household is entitled:

- work related expenses, up to $75.00 per month;
- day care expenses, up to $160.00 per child per month; and
- $30.00 plus one-third of the remaining income not already disregarded under the first two categories.

The thirty-and-one-third income disregard is allowed for four consecutive months only. The $30.00 portion of the disregard, however, continues for eight more months, but the individual would have to be off AFDC for twelve months before the full thirty-and-one-third could be applied again. States cannot, however, provide AFDC to families with total income above 185 percent of the state-determined standard of need.

In addition, eligibility for Medicaid is linked to a family's AFDC status and earnings in a somewhat complicated manner. States must provide Medicaid coverage for nine months to families that have lost their AFDC eligibility because the thirty and one-third disregard period has expired. States can, at their option, extend Medicaid coverage for an additional six months to those families that would have been eligible if the thirty and one-third were still applicable. Those who become ineligible for AFDC due to increased earnings are eligible for four months of extended Medicaid coverage.

Thus, since 1971 there have been important federal AFDC changes affecting both the eligibility and benefits side of the program and the work and training side.

JTPA

Just as the 1981 AFDC changes altered the work-welfare system, JTPA has changed the federal employment and training system quite dramatically. Compared to CETA, JTPA training programs are primarily serving those persons who are economically disadvantaged but motivated enough and educated enough to move into jobs, or upgraded jobs, with minimal assistance.[22] It has been estimated that JTPA can only serve about 3

22./For example, an analysis by Westat Inc., "AFDC Recipients in JTPA," (Rockville, MD: Westat Inc, 1986), indicates that AFDC recipients in JTPA have higher levels of education than AFDC recipients as a whole (although lower than JTPA participants as a whole).

percent of all those who are eligible for the program.[23] In 1984, about 708,000 persons were enrolled in training programs under Title II.A of JTPA, compared to nearly two million persons in CETA training in 1981 (excluding those in PSE jobs). About 152,000 AFDC recipients were enrolled in JTPA in 1984, compared to about 290,000 participating in CETA in 1981, as noted earlier.[24]

Thus, although they represent only a small fraction of the eleven million perons receiving AFDC in nearly four million families, about 21 percent of all JTPA enrollees in 1984 lived in AFDC families. About half of those (i.e., about 76,000 persons) had children under six years of age, about one-quarter (i.e., about 38,000 persons) had older children only, and the rest were AFDC dependents or other (non-AFDC) family members.

There is some indication that many local JTPA service delivery areas are increasing their priority on AFDC recipients, for several reasons.[25] First, according to legislative provision, JTPA must equitably serve AFDC clients, measured by the relative proportion of the state's disadvantaged population that is on AFDC. Although there is some controversy over how this equitable service proportion is to be measured, the provision clearly

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23./Allan H. Hunt and Kalman Rupp, "The Implementation of Title II.A of JTPA in the States and Service Delivery Areas: The New Partnership and Program Directions," Undated paper presented at the 1984 winter meetings of the Industrial Relations Research Association.

24./Westat, Inc., "AFDC Recipients in JTPA", Draft paper, July 1986.

25./Katherine Solow and Gary Walker, "The Job Training Partnership Act: Service to Women" (New York: Grinker-Walker Associates, 1986).

was intended to target JTPA services on welfare clients. Second, there is a limitation on the amount of JTPA funds that can be used for for supportive services (e.g., child care) and allowances. This limitation should make AFDC clients attractive to JTPA since they have an income source while they participate in training and they are more likely than other enrollees to have access to social services available through welfare agencies.

Despite the obvious priority the legislation places on welfare recipients, however, JTPA is serving only about ten percent of all AFDC recipients fourteen years of age or older. Those AFDC recipients in JTPA have a slightly lower level of education than other JTPA participants: 55 percent of the AFDC enrollees have at least a high school education compared to over 60 percent of the non-AFDC participants in JTPA. Given the lower educational levels, it is not surprising that JTPA participants from AFDC families are somewhat more likely to receive classroom training (which includes basic and remedial education as well as vocational training) than other participants. Although their average length of stay in JTPA is longer than other participants, AFDC clients are less likely to complete JTPA in a "positive" manner: over 40 percent of the AFDC enrollees become non-positive terminations (e.g., they do not complete the training, do not find jobs, do not return to school) compared to 29 percent non-positive termination for other JTPA enrollees.[26]

Thus, JTPA as it now exists is training fewer welfare recipients than had been trained under CETA, and AFDC clients do not fare as well in JTPA as other participants. Nevertheless, welfare recipients are targeted by JTPA and they do represent a significant proportion of all JTPA enrollees.

26./Westat, "AFDC Recipients in JTPA."

In addition, about half of the AFDC clients in JTPA have children under six years of age, providing another indication that welfare mothers with young children do volunteer for training programs. Despite its limited funding, JTPA is the most important training resource available to welfare clients. The JTPA legislation clearly emphasizes AFDC clients, and Governors have the authority to further increase priority on specific population groups like AFDC clients. There has also been increasing interest in Washington in targeting JTPA more on welfare clients, further suggesting that it may become a more viable option for AFDC recipients.

Food Stamps Employment and Training Policy

Separate from the AFDC/WIN work requirements, the food stamp program has also included a work registration requirement which has gradually evolved and expanded since 1971. Nearly all employable able-bodied food stamp adults not already participating in WIN have been required since 1971 to register for "work", generally at the local employment service office. Over the years, the types of activities required of food stamp participants has expanded. For example, in 1977, fourteen food stamp workfare pilot projects were authorized and in 1981 all state and local jurisdictions were given the option of establishing workfare programs for food stamp recipients. In 1978, eighteen sites implemented work registration and job search demonstrations that tested both (a) requiring individuals to conduct a certain number of job contacts and (b) the group job search concept. By 1981, states were allowed to enter into contract with the Department of Agriculture to operate, at state option, food stamp job search programs.

That means that in 1986, all states were required to register able-bodied food stamp recipients for work, and some states were operating job search programs or workfare for food stamp recipients--forty states had

food stamp job search programs and twenty-one states had at least one food stamp workfare site.

Beginning in April 1987, every state must implement a food stamp employment and training program, as mandated by Congressional legislation in 1985. The new program, administered by the Department of Agriculture at the federal level and food stamp agencies within welfare departments at the state level, represents the first wide-scale requirement that food stamp participants in all states be provided employment and training services. Within broad guidelines and with limited federal funds, states have substantial discretion in the design of the food stamp employment and training programs.

Thus, at the same time that federal resources for WIN and AFDC clients are being reduced, more funds and requirements are being added for work programs for food stamp recipients.

Welfare Reform Proposals in 1987

The current wave of legislative proposals for welfare reform revisit many of the traditional issues. There is a growing consensus that some action should be taken to improve the system. There is also increased recognition that welfare mothers, like most mothers today, are able to, desire to and should work in the paid labor market. There is renewed concern about long-term dependency on welfare, partly as a result of numerous research projects examining dependency, turnover and self-sufficiency.

The current reform effort is somewhat unique because the states have been more involved than in past federal welfare reform debates. Since 1981, federal policy has been uncertain, WIN funding has continued to decline, and states have been allowed to adopt various options with

different federal funding possibilities but with little federal policy direction. The results of this federal policy (or lack of policy) is the subject of the next chapters. It is clear, however, that many states have taken the initiative to reform their work-welfare programs, and that some of those initiatives that have received widespread publicity and attention (e.g., Massachusetts and California) have influenced the types of welfare reform proposals being considered in Congress.

Congress originally authorized funds for the WIN program only through June 1987, at a level of 110 million dollars. Although a supplemental appropriation of twenty-three million dollars has been approved, bringing the total WIN funds for the fiscal year to 133 million dollars, there is still somewhat more pressure this year than in the past seven years for Congress to take some action on WIN.

Among the numerous welfare reform proposals recently presented, the major federal work-welfare alternatives being considered at this time include the Reagan White House proposals (Greater Opportunities Through Work-GROW and the Low-Income Opportunity Improvement Act), the proposal developed by the American Public Welfare Association (the Family Investment Act), the House Ways and Means proposal (The Family Welfare Reform Act), the Levin proposal (Work Opportunities and Retraining Compact-WORC) the Kennedy proposal (Jobs for Employable Dependent Individuals Act-JEDI) and the Hawkins proposal (Fair Work Opportunities for Family Self-Sufficiency).

Table 2.2 compares eight general features of the work-program provisions of these proposals, which suggest a few general comments about similarities and differences among the proposals. In all but two of the proposals (the Kennedy and Hawkins proposals), the work-welfare issue is imbedded within a larger proposal to reform AFDC as a whole or AFDC, Food Stamps, Medicaid and related programs.

TABLE 2.2

SELECTED FEATURES OF MAJOR FEDERAL WORK-WELFARE PROPOSALS, 1987

Features	White House Greater Opportunities Through Work-Grow	Low-Income Opportunity Improvement Act	Family Investment Act (AFMA)	Family Welfare Reform Act (Ways & Means/Ford)	Work Opportunities Retraining Compact-WORC (Levin)	Jobs for Employable Dependent Individuals-JEDI (Kennedy)	Fair Work Opportunities Act (Hawkins)
Overall Welfare Reform	Yes	Yes	Yes	Yes	Yes	No-Amends JTPA	No-Amends WIN
Funding 1. Level 2. Match 3. Bonus	o 50% open-ended federal match for admin., allow. activities (e.g. job search) and support services cost. o Education and training activities funded by states	o Allocations based on state and federal estimates of current funding for antipoverty programs with means - tests or formula allocations that consider low-income populations (59 federal programs eligible for waivers)	o Initial federal contributions for family living standard equivalent AFDC, Food Stamp and low-income energy assistance programs; increase federal match to 75% over 10 years o Federal match 75% (uncapped) for work program and support services o Federal match 50% for administrative costs	o Federal reimbursement of 65% for program costs — altered in future years based on performance o Federal match of 50% for administrative costs o Federal reimbursement for day care costs limited to actual costs up to $175/month/child over two and $200/month/child under two, federal share based on AFDC benefit matching formula	o Savings from reductions in AFDC, Medicaid and Food Stamp payments from employment placements o Federal match 70% for education/training costs o Federal match 50% for administrative costs and support services 5% bonus for states that meet/exceed performance standards	o Incentive bonuses for successful job placements. 75% of bonus base for 1st year, 50% for 2nd year and 25% for 3rd year of continuous employment	o Fixed grant at $500 million FY88, as necessary for each succeeding fiscal year. o State grants based on number of AFDC recipients state match of 10% — 25% match for amount above appropriation after first two years of operation, incent. of 5% for states exceeding performance standards
Departmental Responsibility	o HHS and state welfare agencies	o State filings submitted to Low-Income Opportunity Board for certification o Board composition: Chair approved by President and relevant agencies (Agr., HHS, HUD, DOL, Interior, AO, OMB) o Approval and termination authority - Chair o Submission and termination authority - Governors	o HHS and state welfare agencies	o HHS and state welfare agencies	o HHS and state welfare agencies o Consolidates 4 separate employment/training programs for AFDC recipients o Requires partnership state/local job training and education agencies	o DOL	o DOL and state ES and/or welfare agencies

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SELECTED FEATURES OF MAJOR FEDERAL WORK-WELFARE PROPOSALS, 1987

Features	White House Greater Opportunities Through Work-Grow	Low-Income Opportunity Improvement Act	Family Investment Act (AFWA)	Family Welfare Reform Act (Hays & Moore/Ford)	Work Opportunities Retraining Compact-WORC (Levin)	Jobs for Employable Dependent Individuals-JEDI (Kennedy)	Fair Work Opportunities Act (Hawkins)
Overall Welfare Reform	Yes	Yes	Yes	Yes	Yes	No-Amends JTPA	No-Amends WIN
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different federal funding possibilities but with little federal policy direction. The results of this federal policy (or lack of policy) is the subject of the next chapters. It is clear, however, that many states have taken the initiative to reform their work-welfare programs, and that some of those initiatives that have received widespread publicity and attention (e.g., Massachusetts and California) have influenced the types of welfare reform proposals being considered in Congress.

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TABLE 2.2 (CONTINUED)

Features	White House Greater Opportunities Through Work-Grow	Low-Income Opportunity Improvement Act	Family Investment Act (AFWA)	Family Welfare Reform Act (Ways & Means/Ford)	Work Opportunities Retraining Compact-WORC (Levin)	Jobs for Employable Dependent Individuals-JEDI (Kennedy)	Fair Work Opportunities Act (Hawkins)
Participation Requirements	o Mandatory for all employable AFDC recipients except parents w/children under age 6 months, at state option o Mandatory high school completion/equivalent for dependents aged 16 and over or teenage parents o State flexibility to require job search by AFDC applicants	o State discretion to select eligible participants	o Mandatory for all parents w/children over age 3; only if child care available o Single parents with children under 3 must finish high school and have part-time outside activity o Two parents with children under 3 — one must meet obligation full-time and the other must meet the same requirements as single parents	o Mandatory for all able-bodied AFDC recipients except mothers of children under age 3 o State flexibility for mothers with children ages 1-3 o Two parents families - one must meet obligation full-time. State option to require participation of both if child care is provided	o Mandatory for all AFDC applicants/recipients except those with children under 3 o Participation for parents of children ages 3-6 is mandatory on part-time basis.	o Voluntary for AFDC and Refugee Cash Assistance head of household who have received welfare continously for 2 years and have not worked within last year; or anyone who is under 22, has not completed high school/GED and has not worked within the last year	o Mandatory for all able bodied AFDC recipients except those exempt under current WIN regs
Target Group (s)	o Teen parents and long term recipients		o Long term recipients and teen parents	o Teen parents, long-term recipients and families with children age 6		o Long term recipients	o Long term recipients; single parents lacking work experience

TABLE 2.2 (CONTINUED)

Features	White House: Greater Opportunities Through Work-Grow	White House: Low-Income Opportunity Improvement Act	Family Investment Act (AFWA)	Family Welfare Reform Act (Ways & Means/Ford)	Work Opportunities Retraining Compact-WORC (Levin)	Jobs for Employable Dependent Individuals-JEDI (Kennedy)	Fair Work Opportunities Act (Hawkins)
Employment/ Training Services	o State flexibility to designate other activities including job search, community work experience, work supplementation/grant diversion, basic/ remedial education, JTPA activities and short-term training	o Maximum state flexibility	o State flexibility to design education, employment and training programs including basic education, literacy and higher ed o Work experience placements if no private sector jobs available	o Education, job search, OJT, skills training, work supplementation/ grant diversion, community work experience, placement activities.	o All education and training activities authorized under WIN, JTPA, vocational education, Employment Service, local education agencies and community colleges o Part-time program available for participants with pre-school children	o All education and training activities and services authorized under JTPA	o Job search, education, OJT, PSE, skills training, work experience o Priority based on level of education, duration of welfare dependency and work experience
Support Services	o State plan must provide child care, transportation and other support services	o Maximum state flexibility	o Child care, health care, counseling, housing	o Child care and transportation	o Child care, health care, transportation and other needed services		o Child care, transportation
Accountability/ Performance Standards	o Phase in target participation levels over 5 years beginning at 20% with 60% goal o Separate higher targets for teens — beginning in 1992 80% for teen parents and 90% for dependent children o Based on supportive research, federally established outcome-based performance standards will be implemented	o No standards o States to conduct evaluation with control group/ alternative method measuring results	o Federal agency establish standards to measure state placements o States measure placements, provision for child care and health benefits, improvement of family stability	o Federal standards to measure state program placement rates and cost effectiveness	o Federal standards to measure outcome of state programs including placement rates, wages, job retention, reduction in welfare benefits/caseloads, education improvements and provision of health benefits o Credit to programs helping hardest to place	o Federal standards, requires program evaluation. Report submitted 3 yrs. after date of enactment analyzing program costs/welfare savings	o Federal standards to measure reduction in welfare dependency, job placements, increased family income and job retention o Standards should recognize different conditions in states e.g., unemployment levels, economic conditions, etc. o Reward services for hardest to place

In general, most of the proposals would presumably shift responsibility for AFDC employment programs back to HHS, or at least to state welfare agencies. However, the JEDI and Fair Work Opportunities proposals amend JTPA and WIN respectively and presumably would fall under the authority of DOL. Also, while most of the proposals specify services for all AFDC recipients, the JEDI proposal would provide states with bonuses for serving long-term recipients and teenage parents on AFDC and/or refugee cash assistance. The Low-Income Opportunity Act gives states the option to select the eligible population.

All the proposals generally would allow those program services traditionally available under employment and training programs, including job search, job search assistance, education, OJT, work experience, institutional training, job placement, child care and transportation. The Low Income Opportunity Act does not specify activities but would allow states maximum flexibility in designing program services.

The current proposals are also sensitive to program cost and accountability issues. In fact, the cost sharing and financial provisions represent the major differences among the proposals and between the current system and the various proposals. All of the proposals with the exception of the Low Income Opportunity Improvement Act, require performance standards to measure program impact and effectiveness. Given the continuing concern about the federal budget deficit, all the proposals also attempt to minimize estimated costs, and range from about $40 million over five years for the bonuses under JEDI, to $500 million for FY1988 for the work program under the Hawkins bill. Finally, most of the proposals would change the federal financial participation in work-welfare programs from the current 90-10 under WIN and 50-50 for the AFDC options. The proposals

generally would require a state match of 50 percent or 25 percent. Only the Hawkins bill would provide for a 90 percent federal grant.

Thus, although there are differences among the proposals in some of the specific details of the work programs, the primary differences concern the level of federal funding and federal-state financial participation mechanisms.

Summary

Within this complex environment states have continued to operate work and training programs for welfare recipients. This historic overview suggests several summary points:

- Federal direction, interest and priority on welfare-employment programs has periodically increased and decreased over the years.
- Federal welfare-employment policy has reflected a continuing concern about the balance and tension between enforcing work requirements and providing meaningful work, employability development and "enriched" programs.
- States have been allowed to choose numerous options over the years but there is generally low uptake by the states for optional programs unless a financial incentive is attached (or unless states perceive a financial benefit, as was the case early in the WIN demo period).
- Discretionary programs (e.g., Title V) have also been very limited in scale. Few states have had high activity levels and many have little activity.
- There has been bureaucratic controversy over the administration of welfare-employment programs and periodic shifts in the "balance of power" between The Department of Labor and The Department of Health and Human Services.
- Interagency and interprogram coordination has been a continuing problem in work-welfare programs.
- The priorities and service directions of WIN have shifted several times over the years, but the program has continuously been criticized for not serving enough AFDC clients and not significantly reducing the AFDC rolls and costs. In 1981 WIN worked with about 800,000 persons at a cost of about $500 each. Half of these participants (representing 25 percent of all registrants) found jobs or entered CETA training or PSE.

- Welfare as a whole has been very difficult to reform.

- Since 1981 federal welfare-employment policy has been uncertain and inconsistant, WIN funding has continued to decline and states have been allowed to adopt various options with different federal funding possibilities but with little federal policy direction.

- Most of the current legislative proposals are attempting to reform the entire welfare system, not just the aspects related to employment. The major differences on the work program side relate to funding levels and federal financial participation mechanisms.

The next chapter documents the work-welfare programs that all states were implementing in 1986 and changes that might be anticipated in 1987.

TABLE 2.3
CHRONOLOGY OF MAJOR FEDERAL POLICIES
RELATED TO WORK PROGRAMS FOR WELFARE RECIPIENTS

Federally funded work relief projects for the unemployed and those on relief, under the Public Works Administration and the Works Progress Administration.	1932-1939
AFDC-Unemployed Parent program. State option.	1962-present
Community Work and Training Program. State option. Allowed "enrichment" programs for AFDC men, including requiring them to work off their grants. Administered by HEW.	1962-1967
Title V of the Economic Opportunity Act, Work Experience and Training program. Allowed local welfare agencies to implement employment and training programs for welfare recipients.	1964-1967
Manpower Development and Training Act (MDTA)	1962-1973
Work Incentive Program. Jointly administered by HEW/HHS and DOL.	1967-present
WIN I: incentives and encouragement to participate; training and services.	1967-1971
WIN II: mandatory participation, emphasis on direct job placement.	1972-1975
WIN Redesign: shifted client registration from welfare dept. to employment security.	1975
WIN Balanced Mission: balance of priorities on placement and services/long term training; research and demonstrations.	1976-1981
WIN/WIN Demo/CWEP: state options. WIN Demo gave welfare departments sole authority. CWEP alloved states to require unpaid work (workfare) of AFDC recipients.	1982-present
Comprehensive Employment and Training Act (CETA)	1973-1982
Broad targeting on unemployed	1973-1978
Tighter targeting on the disadvantaged	1978-1982
Public service employment	1973-1981
Job Training Partnership Act (JTPA)	1982-present
Carl Perkins Vocational Education Act	1984-present
Food Stamp Employment and Training Program	1987-present

CHAPTER 3

CHARACTERISTICS OF STATE WORK-WELFARE PROGRAMS

This chapter provides a fairly detailed description of work-welfare programs operating across the country as of late 1986, based on interviews conducted with state administrators and staff in all states. Program characteristics are described and national patterns are identified in the following areas: types of programs operating and use of federal work-welfare options, types of clients served, organizational structure and responsibilities, types of services provided, and geographic program coverage. A summary of major trends and patterns appears at the end of the chapter and tables providing state-by-state information appear in the Appendix.

Presenting an overall picture of the national work-welfare system at any given time is inhibited by the constant changes being made by different states. Two factors are at work. First, spurred by the current interest in work-welfare policy, many states have implemented or are considering the implementation of new programs or variations in old programs. Respondents from about two-thirds of the states indicated that changes were being implemented at the time of the survey, or were being considered for future implementation. Anticipated changes include, for example, adding one or more of the federal options, coordinating the various program components more closely, and increasing the responsibilities of the welfare department or restructuring the programs in some other way. Budget reductions, particularly at the federal level, have contributed to an opposite trend: many states have begun, or are planning, to cut back their work programs by

reducing services to clients (or a certain subset of clients), or by reducing the number of counties with work-welfare programs.

As a result, many of the state work-welfare systems described in this chapter may have already changed between the time of the interviews and the distribution of this report. Nevertheless, although the national work-welfare system is in many senses a "moving target," the overview presented here is the most comprehensive currently available and provides an accurate representation of the trends and patterns that characterize the system.

State Work-Welfare Programs and Federal Options

This section describes the general nature of state work-welfare programs in terms of (1) WIN/WIN demo and the adoption of the federal AFDC and food stamp work program options described in the previous chapter, and (2) state work programs for general assistance recipients and other special state-funded work programs or initiatives.

Federal AFDC and Food Stamp Work Program Options

There are very few states that have not taken advantage of the federal options introduced since 1981; as of late 1986, only three states had retained the regular dual-agency WIN program without adopting any of the AFDC or food stamp work program options available to states. Table 3.1 provides information on the federal options used by each state, the program names--if any--used for the options, the names of "umbrella" programs that include more than one option, and whether the state had an AFDC-Unemployed Parent program in 1986:

- Of the fifty states plus the District of Columbia, twenty-five had a regular WIN program and twenty-six had a single-agency WIN demonstration program. (Rhode Island became a WIN demo state in early 1987 making twenty-seven WIN demos in all.)

TABLE 3.1
FEDERAL WORK-WELFARE OPTIONS, BY STATE 1/
(as of late 1986)

State	AFDC-UP Program	Umbrella Program	WIN	CWEP	Grant Diversion	Age Waiver	IV-A Job Search	Food Stamp Job 4/ Search/Workfare
Alabama	No	No	Regular WIN	Yes	No	No	No	FSJS
Alaska	No	Alaska Work Program (inc. all options)	Regular WIN	No	No	No	Yes—Employ. Search Program	FSJS
Arizona	No	No	WIN Demo	No	Yes	Yes	No	FSJS
Arkansas	No	No	WIN Demo Proj. Success	No	No	Yes (for WIN)	No	FSJS & Workfare (1 wkfr county)
California	Yes	Greater Avenues for Independence, being implemented (incl. all options)	WIN Demo	Yes	Yes	No	Yes	FSJS & Workfare
Colorado	No	No	Regular WIN	Yes	Job Div. 2/	Yes (in one county)	No	FSJS
Connecticut	Yes	Job Connection (incl. all options)	WIN Demo	No	Yes	No	Yes	No
Delaware	Yes	No	WIN Demo First Step Emp. & Trng. Program	Yes	No	No	No	FSJS
District of Columbia	Yes	No	Regular WIN	No	No	No	No	No
Florida	No	Public Assistance Productivity Act [PAPA] (incl. all ex. FS prgms)	WIN Demo	No	Yes, TRADE	No (start. 1/87)	Yes	FSJS & Workfare (1 wkfr county)
Georgia	No	Positive Employment and Community Help [PEACH] (incl. all ex. FSJS)	WIN Demo	Yes	No	No	Yes	FSJS
Hawaii	Yes	No	Regular WIN	No	No	No	No	FSJS
Idaho	No	No	Regular WIN	Yes	No	No	No	FSJS FS Work Search
Illinois	Yes	Project Chance (incl. all options)	WIN Demo	No	No	No	No	FSJS & Workfare (1 wkfr county)
Indiana	No	Work Programs, starting 4/87 (incl. all options)	WIN Demo	No (start. 4/87)	No (starting 4/87)	No	No	Not in 1986

TABLE 3.1 (CONTINUED)

State	AFDC-UP Program	Umbrella Program	WIN	CWEP	Grant Diversion	Age Waiver	IV-A Job Search	Food Stamp Job Search/Workfare 4/
Iowa	Yes	No	WIN Demo	Yes	No	No	No	FSJS
Kansas	Yes	Job Preparation Program (incl. all ex. WIN)	Regular WIN	Yes	No (starting 1/87)	No	Yes	FSJS
Kentucky	No	No	Regular WIN	No	No	No	No	FSJS
Louisiana	No	No	Regular WIN	No	No	No	No	No
Maine	Yes	Welfare, Employment Education & Training (incl. all ex. FSJS)	WIN Demo	No	Yes	No	Yes	FSJS-Job Search Project
Maryland	Yes	No	WIN Demo	No	Yes	No	Yes	No
Massachusetts	Yes	Employment and Training Choices (incl. all options)	WIN Demo	No	Yes	No	Yes	No
Michigan	Yes	Michigan Opportunities & Skills Training (incl. all options)	WIN Demo	Yes	Yes	Yes	No	No
Minnesota	Yes	No	Regular WIN	Yes	Yes	No	No (starting 1987)	FSJS
Mississippi	No	No	Regular WIN	No	No	No	No	FSJS
Missouri	Yes	No	Regular WIN	No	No	No	No	FSJS
Montana	Yes	No	Regular WIN	No	No	No	No	FSJS
Nebraska	Yes	No	WIN Demo Job Support Program	Yes	No	Yes (in WIN only)	Yes	FSJS
Nevada	No	No	Regular WIN	Yes	No	No	No	FSJS
New Hampshire	No	Access to Careers and Training (incl. all options)	Regular Win	No	No	No	No	FSJS
New Jersey	Yes	No	WIN Demo	No	Yes	No	Yes	FSJS
New Mexico	No	No	Regular WIN	Yes	No	No	No	FSJS
New York	Yes	Comprehensive Employment Plan (incl. all ex. WIN & FSJS)	WIN Demo	Yes	Yes	No	No	FSJS

TABLE 3.1 (CONTINUED)

State	AFDC-UP Program	Umbrella Program	WIN	CWEP	Grant Diversion	Age Waiver	IV-A Job Search	Food Stamp Job 4/ Search/Workfare
North Carolina	No	No	Regular WIN	Yes	No (starting 1/87)	Yes (CWEP)	No	FSJS & Workfare
North Dakota	No	No	Regular WIN	Yes	No	No	No	No
Ohio	Yes	Work Programs (incl. all ex. WIN)	Regular WIN	Yes	Yes	No	Yes	No
Oklahoma	No	Employment Training Program (incl. all ex. FSJS)	WIN Demo	Yes	Yes	Yes	Yes	FSJS
Oregon	Yes	JOBS (incl. all options)	WIN Demo	No	Yes	Yes	Yes	No
Pennsylvania	Yes	Work Registration Program (includes all options)	WIN Demo	Yes	No	No	No	No
Rhode Island	Yes	Learn to Earn (incl. all options)	Regular WIN (WIN Demo start. 1/87)	No	No	No	Yes	No
South Carolina	Yes	Work Support Program (incl. all ex. WIN, WIN to be phased out)	Regular WIN	Yes	No	No	Yes	FSJS & Workfare
South Dakota	No	No	WIN Demo	Yes	No	No	No	FSJS
Tennessee	No	No	WIN Demo Victory Network Program	No	No	No	No	FSJS
Texas	No	Employment Services Program (incl. all ex. FSJS)	WIN Demo	No	No	No	Yes	FSJS
Utah	No	Self-Sufficiency Program (incl. all options)	Regular WIN	Yes Work Experience & Training	No	No	Yes	No
Vermont	Yes	Reach-Up (incl. all ex. FSJS)	Regular WIN	Yes	Yes	No	Yes	FSJS
Virginia	No	Employment Services Program (incl. all ex. FSJS & FS Workfare)	WIN Demo	Yes	No starting 2/87	No	Yes	FSJS & Workfare

TABLE 3.1 (CONTINUED)

State	AFDC-UP Program	Umbrella Program	WIN	GWEP	Grant Diversion	Age Waiver	IV-A Job Search	Food Stamp Job 4/ Search/Workfare
Washington	Yes	Washington Employment Opportunities Program (incl. all ex. FSJS)	Regular WIN	Yes	Yes	No	Yes Employment Search Program	FSJS & Workfare5/
West Virginia	Yes	No	WIN Demo Work & Training Program	Yes	No	No	No	FSJS
Wisconsin	Yes	Wisconsin Employment Opportunities Program (WIN & IV-A Job Search), Work Experience and Job Training (incl. all ex. FSJS and FS Workfare, starting 1/87)	WIN Demo	Yes	No (starting 1/87)	No	Yes	FSJS & Workfare
Wyoming	No	No	Regular WIN	No	No	No	No	No

1/ This table indicates whether or not the state has adopted any of the optional AFDC or Food Stamp programs. Table 3.5 notes the number of countries participating; and Table 3.3 notes states with GA Work programs.

2/ Colorado has a welfare diversion program in Weld County that is a variant of traditional grant diversion programs since it targets particularly on AFDC applicants rather than recipients.

3/ Illinois has a variant of Workfare, but as of 1986 was not funded through the GWEP provision.

4/ All states were required to implement Food Stamp Employment and Training Programs by April 1987. This column notes only those states that operated optional food stamp job search and workfare programs in 1986.

5/ Washington's Food Stamp Workfare program is on hold.

- Twenty-seven states had CWEP programs for at least some AFDC recipients and in at least one local jurisdiction (fifteen of the states with CWEP have regular WIN programs, and twelve have WIN demo programs). One state (Indiana) was planning to start up CWEP in 1987.

- Seventeen states had some type of AFDC grant diversion program (thirteen WIN demo states and four WIN regular states). And one state, Colorado, had a job diversion program, targeted on applicants. (Indiana, Kansas, North Carolina, Wisconsin and Virginia were due to start grant diversion in 1987.)

- Twenty-two states had IV-A job search programs (eight regular WIN states and fourteen WIN demo states). One state (Minnesota) was to implement IV-A job search in 1987.

- Thirty-seven states had the optional food stamp job search program in 1986 (seventeen WIN regular states and nineteen WIN demo states), and there were food stamp workfare projects in nine states (three WIN regular states and six WIN demo states, including Washington where workfare implementation was "on hold").[27]

- Twenty-six states provide AFDC benefits to two-parent families under the AFDC-Unemployed Parent option.

- Eight states had requested and received federal waivers to require AFDC women with children under six to register with the work program (WIN mandatory registration), although in some states the waivers are only applicable in selected counties or for selected program components. One state reported an age of youngest child waiver that was to become effective in January of 1987.

Every state is required to have either a regular WIN program or a single agency WIN demonstration program. Beyond that, as already noted, most states have adopted one or more of the other work program options. Table 3.2 summarizes the eight different combinations of the major AFDC and food stamp work programs and options that existed nationwide in 1986: WIN demo, CWEP, IV-A job search and food stamp job search. Table 3.2 also notes those states that have food stamp workfare, or AFDC grant diversion programs.

27./By April 1987 all states were required to have a food stamp employment and training program in place. However, this report covers programs as they existed in 1986; therefore the optional food stamp job search programs operating at that time are described.

CATEGORIZATION OF STATES BY AFDC AND FOOD STAMP WORK PROGRAM COMBINATIONS (as of 1986) 1/

CATEGORY 1 = 4
WIN/WIN DEMO ONLY

WIN	WIN DEMO
Dist of Col.	Indiana 2/
Louisiana	
Wyoming	

CATEGORY 2 = 9
WIN/WIN DEMO PLUS FSJS ONLY

WIN	WIN DEMO
Hawaii	Arizona 3/
Kentucky	Arkansas 5/
Mississippi	Tennessee
Missouri	
Montana	
New Hampshire	

CATEGORY 3 = 3
WIN/WIN DEMO PLUS OJEP ONLY

WIN	WIN DEMO
North Dakota	Michigan 3/
	Pennsylvania

CATEGORY 4 = 13
WIN/WIN DEMO PLUS OJEP AND FSJS

WIN	WIN DEMO
Alabama	Delaware
Colorado 4/	Illinois5/
Idaho	New York 3/
Iowa	South Dakota
Minnesota 3/	West Virginia
Nevada	
New Mexico	
North Carolina 5/	

CATEGORY 5 = 4
WIN/WIN DEMO PLUS IV-A JS SEARCH ONLY

WIN	WIN DEMO
Rhode Island 6/	Maryland 3/
	Massachusetts 3/
	Oregon 3/

CATEGORY 6 = 6
WIN/WIN DEMO PLUS IV-A JS AND FSJS

WIN	WIN DEMO
Alaska	Connecticut 3/
	Florida 3/ 5/
	Maine 3/
	New Jersey 3/
	Texas

CATEGORY 7 = 3
WIN/WIN DEMO PLUS IV-A JS AND OJEP

WIN	WIN DEMO
Ohio 3/	
South Carolina5/	
Utah	

CATEGORY 8 = 9
WIN/WIN DEMO PLUS IV-A JS, OJEP AND FSJS

WIN	WIN DEMO
Kansas	California 3/5/
Vermont 3/	Georgia
Washington 3/5/	Nebraska
Wisconsin5/	Oklahoma 3/
	Virginia 5/

1/ This categorization is based on state adoption of AFDC OJEP, IV-A (AFDC) Job Search, and Food Stamp Job Search.

2/ Indiana plans to implement OJEP and Grant Diversion in 1987.

3/ These states have AFDC Grant Diversion programs.

4/ Colorado has a variant of Grant Diversion in Weld County: welfare job diversion, primarily for diverting AFDC applicants to jobs instead of welfare.

5/ These states have at least one Food Stamp Workfare program.

6/ Rhode Island became WIN Demo in January 1987.

Twelve states had only a WIN program (regular WIN or WIN demo) without CWEP, IV-A job search or grant division (Arkansas, District of Columbia, Hawaii, Indiana, Kentucky, Louisiana, Mississippi, Missouri, Montana, New Hampshire, Tennessee, and Wyoming).[28]

Aside from the WIN demo, thirty-nine states had chosen at least one of the other federal AFDC work program options; sixteen had chosen one AFDC option aside from WIN demo, eighteen had chosen two AFDC options aside from WIN demo, and five had chosen all three of the AFDC work options aside from WIN demo. Of the five states that had chosen CWEP, grant diversion and IV-A job search, three were WIN regular states (Ohio, Vermont and Washington) and two were WIN demo states (California and Oklahoma).[29]

No conclusions should be drawn about the use of these options and the quality of the programs, however. A previous Urban Institute study of state work-welfare programs noted that many high-performing WIN states were initially reluctant to adopt the federal WIN demo option since administrators were often satisfied with the quality of their WIN program.[30]

28./All but four of these states, however, did have a food stamp job search program in 1986, and one (Arkansas) also had workfare projects for some food stamp recipients. Indiana was planning to add CWEP and grant diversion by April of 1987.

29./It is important to note that states vary in the extent to which these options are used across counties. In the next section, county-by-county variations are discussed.

30./See Nightingale, Federal Employment and Training Policy Changes.

While even high-performing WIN states have come to use some of the options because budget reductions in WIN have necessitated recourse to other funding sources, there is no reason to assume that lack of adoption of the options means lack of interest in work-welfare policy. Further, many respondents in the current study noted that intense political opposition to CWEP, considered a "workfare" program, has resulted in an unwillingness to use that particular option in their state.

Some geographic variation was found in the use of the two federal options that provide AFDC clients with work experience: CWEP and grant diversion. More specifically, states in the northeastern region were less likely to choose the CWEP option and were more likely to use the grant diversion option. Only three out of the ten northeastern states chose CWEP, compared to eight out of seventeen southern states, seven out of eleven western states, and nine out of the twelve north central states (with Indiana adding CWEP in 1987).[31]

In contrast, grant diversion is used by six of the ten northeastern states, four of the twelve north central states (with Wisconsin, Indiana and Kansas adding grant diversion in 1987), three of the seventeen southern states (with Virginia and North Carolina adding grant diversion in 1987), and five out of the eleven western states.

The northeastern states were also more likely to choose the WIN single-agency demonstration option, followed by the southern and the north central states; the western states were the least likely to use the WIN demo option. Seven of the ten northeastern states are WIN Demos (including Rhode Island

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31./The four major census regions were used for this analysis.

which became a WIN demo state in January of 1987). Ten of the seventeen southern states are WIN demos, seven of the twelve north central states are WIN Demos, but only three of the eleven western states are WIN demos.

Thus, while there was considerable variation in the types of federal options states have adopted and combinations of options, there were indications of some geographic patterns, particularly for CWEP and AFDC grant diversion.

State-sponsored Work-Welfare Initiatives

In addition to the federally authorized and initiated AFDC and food stamp work activities, many states have programs and initiatives specifically designed, and primarily funded, by the state. It is often difficult to determine the degree to which a program was state funded as opposed to federally funded, particularly since some states contribute substantial in-kind resources to these programs. The state-sponsored programs outlined in Table 3.3 are broadly defined as state-funded, state-initiated, or state-specific programs; these programs are either totally or predominantly funded by the states rather than by the federal government.

The most common state-sponsored work-welfare activities are programs for general assistance (GA) recipients. Thirty states provide general public assistance for those persons ineligible for federal AFDC benefits funded either by the state or by local jurisdictions. (Most general assistance recipients are single adults or married couples without children who, for a variety of reasons have no source of support.) Sixteen of the thirty states with state-funded GA programs have a work program for GA recipients, and respondents in several of the other states noted that there were some

TABLE 3.3
STATE WORK-WELFARE INITIATIVES, BY STATE
(State-Funded, State-Initiated, Or State-Specific Programs)*

State	AFDC Programs	GA Programs
Alabama	none	none
Alaska	none	none
Arizona	none	State funded program, but no state work program for GA.
Arkansas	none	none
California	none	GA program, but no state work program for GA.
Colorado	none	GA program, but no state work program for GA.
Connecticut	Voluntary Work Program--for long term AFDC recipients offering remedial education and training, in Norwalk and Fairfield. Remedial Education and Pre-Skill Training--statewide for all AFDC.	Mandatory GA program, administration by cities and towns; workfare and vocational rehab./training.
Delaware	Pilot projects extending medical coverage, beginning in 1987.	State funded GA program, but no state work program for GA.
District of Columbia	Single Mothers Are Resources Too (SMART)--voluntary pilot for AFDC mothers, classroom training and OJT for daycare aides. Job Opportunities and Business Skills--voluntary employment skills development for AFDC-U, classroom training and on-the-job training. Adult With Dependent--for adult AFDC and non-welfare clients with dependent, includes OJT and placement.	More Opportunities for Success Through Training-starting in 1987, will be an expansion of Job Opportunities and Business Skills, for AFDC-U and GA, a voluntary program with employment assistance, job development and placement.
Florida	none	none
Georgia	none	none
Hawaii	none	Temporary Labor Force (TLF)--mandatory workfare for GA clients.
Idaho	none	none
Illinois	none	GA Work Program in Chicago, under Project Chance, the umbrella work-welfare program.
Indiana	none	none

TABLE 3.3 (CONTINUED)

State	AFDC Programs	GA Programs
Iowa	Individual Education and Training Program--funded with IV-A special needs grant and state funds--education program, pre-high school through college, targeted on long-term recipients.	none
Kansas	none	State-funded GA CWEP and GA Job Club.
Kentucky	none	none
Louisiana	none	none
Maine	none	State/local funded GA program, but no state work program for GA.
Maryland	none	General Public Assistance Employables--minimal workfare requirement, in 3 counties.
Massachusetts	State Supported Work Program. Health Choices: continuing health care coverage through several means. Voucher Day Care.	State-funded GA portion of ET program, voluntary.
Michigan	none	State-funded GA portion of MOST.
Minnesota	State supported work in 3 counties. Also programs based on need but not restricted to public assistance clients: a wage subsidy program called Minnesota Employment and Economic Development Act Program (MEED) and the Sliding Fee Child Care Program.	Work Readiness, GA grant diversion.
Mississippi	none	none
Missouri	none	State funded GA program, but no state work program for GA.
Montana	none	Project Work for GA recipients in 12 counties.
Nebraska	none	none
Nevada	none	none
New Hampshire	Family Independence Program--a voluntary program for long-term recipients, administered by JTPA with additional state funds, providing counseling, vocational education, training, child care and transportation.	none
New Jersey	none	General Assistance Employability Program (GAEP)--a limited, workfare program.

TABLE 3.3 (CONTINUED)

State	AFDC Programs	GA Programs
New Mexico	none	State funded program, but no state work program for GA.
New York	PACE--to help clients go to community college. New York Works--grant diversion used for work tryouts, in New York City only. Transitional Child Care--9 months of child care after recipient finds employment. Comprehensive Employment Opportunity Service Centers--one-stop shop services for recipients with children under 6. Teenage Assistance Service Act--targeted on teen parents and high risk teenagers.	Public Works Project--mandatory work experience/workfare program. TEAP-HR--grant diversion for general assistance (home relief) recipients.
North Carolina	none	none
North Dakota	none	State/local funded GA program, but no state work program for GA.
Ohio	Homemaker Health Aid Program--classroom training and subsidized employment, originally federally funded, now run by the state. Supported Work Program in 2 counties.	Work Programs--state funded for GA recipients in Ohio Work Programs, umbrella work-welfare program. Homemaker Health Aid Program--for GA recipients.
Oklahoma	none	none
Oregon	none	State funded GA program, but no state work program for GA.
Pennsylvania	Employment Incentive Payment Program--similar to federal targeted jobs tax credit. Private Agency Employment Program--pays private employment agencies to help welfare recipients find jobs.	Employment Incentive Payment Program--also for GA recipients; GA as well as AFDC required to participate in WRP and CWEP.
Rhode Island	none	State funded GA program, but no state work program for GA.
South Carolina	none	State funded GA programs, but no state work program for GA.
South Dakota	none	none
Tennessee	none	none
Texas	none	none
Utah	none	Emergency Work Program--work for non-AFDC, short-term public assistance recipients.

TABLE 3.3 (CONTINUED)

State	AFDC Programs	GA Programs
Vermont	Single Parent Opportunity Program--for teen parents with emphasis on living skills, school completion and career orientation.	State funded GA program, but no state work program for GA.
Virginia	none	State-funded GA Employment Services Program
Washington	none	State funded GA program, but no state work program for GA.
West Virginia	none	State funded GA program, but no state work program for GA.
Wisconsin	Child Support Assurance Demonstration Program automatic withholding of child support and assumed benefit: for AFDC and non-AFDC.	Work Relief for GA recipients, grant abatement. Work Experience Program--grant abatement for Indians on general assistance.
Wyoming	none	State funded GA program, but no state work program for GA.

*This table includes only those initiatives totally or primarily funded by the state. Many other states have developed special initiatives within WIN or WIN Demo, which are not included here.

county-funded and administered work programs for GA recipients, but no statewide program. About one-third of the state GA work programs are grant-abatement programs where the client is expected to "work off" his or her grant (workfare). The other two-thirds of the GA work programs offer many of the same components that are available to AFDC recipients under WIN/WIN demo, and as discussed in a later section, many are integrated with the AFDC work and training program.

In addition to GA work programs, many states have sponsored and developed special initiatives for AFDC recipients or for all low-income persons. Most of the state-sponsored and state-funded programs for AFDC clients are targeted on "hard to employ" groups. For example, at least three states (Connecticut, Iowa and New Hampshire) have special initiatives for long-term recipients; and three states (District of Columbia, New York and Vermont) have special projects for teenage parents and single parents.

A few states also have employment or income-related initiatives for the general low-income population. For example, Minnesota has a state wage subsidy program and a sliding-fee child care program for low-income persons, and Wisconsin's Child Support Assurance Demonstration will assure a minimum income level for families with children. Similarly, a few states also have special training or education initiatives, including the Homemaker Health Aid Training program and the state supported work program in Ohio, and New York's PACE Community College program.

Two states (California and Massachusetts) have particularly large state initiatives primarily funded with state revenues, but implemented within the WIN demonstration framework. California, as part of the new GAIN program, provides substantial state resources for day care, education and training for AFDC clients. Massachusetts, under the ET Choices Program, has developed a comprehensive package of services complementing a broad range of

employment, training, and education components, including a large supported work program that is primarily state funded. Of particular importance are the Massachusetts day care voucher program (with state funds exceeding twenty million dollars a year), the Health Choices program that provides special extended medical coverage to ET participants for one year, and the quasi-public Bay State Skills Corporation that subsidizes vocational training.

The northeastern and north central states were most likely to have state-sponsored programs, and the western states made the greatest use of state-sponsored initiatives within the WIN/WIN demo program.

Pending State Initiatives

Most states (thirty-four) were, not surprisingly, anticipating or considering changes in their work-welfare systems in 1987. Respondents were asked about pending legislation in the state and initiatives proposed by the governor or the department in charge of work-welfare programs (their answers are summarized in Table 3.4; state-by-state initiatives are in Appendix Table I).

Of course, the primary changes that states anticipate are the implementation of the mandatory food stamp employment and training programs and the phasing out of WIN. Respondents in eleven states reported that they were preparing to phase-out or reduce the WIN program early in 1987 in response to the Congresssional funding limitation. That is, although most states were waiting until Congress either reauthorizes WIN or replaces it with some other program, these eleven states were making plans to close out their WIN and WIN demo programs. Respondents in five states specifically

TABLE 3.4
PENDING STATE WORK-WELFARE INITIATIVES
(as of late 1986)

Initiative	Number of States
Program expansion (e.g., adding new federal options, extending geographic coverage)	15
Program maintenance (i.e., requesting state funds to maintain level of current programs, examining options)	7
Expand or improve supportive services (e.g., daycare, medical benefits, transportation)	14
New broad umbrella programs, or consolidation of all programs	7
Special project or targeting (e.g., entrepeneurial programs, teen parents, supported work)	8
Phase down existing level	11
No plans/initiatives mentioned	17 1/

1/ Numbers do not add to 51 because states may be in more than one category.

stated that they are considering adopting or expanding (or already have adopted or expanded) the use of other federal options (especially IV-A job search) to compensate for the anticipated close-out of WIN (Idaho, South Carolina, Minnesota, Mississippi and Ohio).

Despite the uncertain status of federal funding and legislation, however, many states are continuing to develop new programs or special projects. Respondents in ten states indicated that they are considering the implementation or expansion of various federal options: Hawaii is applying for WIN Demo status, Ohio may expand CWEP and the other Work Program options, Colorado may adopt IV-A job search, Alaska, Mississippi, and Florida are considering CWEP, Idaho may expand CWEP and adopt IV-A job search, and Arizona, Oklahoma and Wyoming are considering implementing an AFDC-UP component, perhaps with job search or workfare attached.

At least eight states report that they are attempting to obtain increased state funds to expand or improve transitional social services for day care (Connecticut, Maine, Maryland, Massachusetts, New Hampshire, Rhode Island and Utah) or for transportation assistance (Michigan). Ten states are making efforts to extend or improve medical benefits (discussed in a later section).

New programs, resulting from highly publicized gubernatorial proposals, are being considered in three states (New Jersey, Missouri and Washington), and in four other states proposals are being considered to consolidate work programs or develop more comprehensive systems (District of Columbia, Florida, Indiana and Oregon). New Jersey's REACH program would fold WIN into an umbrella program and would emphasize targeting services on women with young children. In Washington, the proposed Family Independence

Program would extend transitional benefits along with the introduction of an incentive system to increase employment: instead of clients losing benefits on a dollar for dollar basis (after the $30 and 1/3 rule expires), they will be guaranteed an income of up to 135 percent of a benchmark amount when working full-time and up to 115 percent of a benchmark amount when working part-time. (When in school or training they would receive 105 percent of the benchmark, when seeking work they would receive 100 percent of the benchmark, and when not cooperating with the program the family would receive 80 percent of the benchmark.) The Missouri Learnfare program would require AFDC clients to obtain a high school degree as a condition of eligibility. In Florida legislation is also pending that would require teen recipients to return to school.

Thus, despite the continuing federal WIN budget reductions and increased uncertainty about federal policy, many states are continuing to design, redesign or expand work programs for welfare clients.

State Priority on Work-Welfare Programs

One documented weakness of the WIN program in the 1970s was that the program received very low political and organizational priority within many state welfare and employment security agencies. Typical comments by most WIN administrators in a 1978 study were that the program was like a "stepchild" in both agencies and that agency administrators tended to use WIN as a "dumping ground" for "dead wood" civil servants.[32] By 1983, the pattern had changed somewhat, and about one-quarter of the WIN and WIN demo

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32./ Mitchell, Chadwin and Nightingale, Implementing Welfare-Employment Programs.

administrators felt that work programs were becoming more visible and seemed to be a higher political priority.[33]

The historic lack of priority and visibility on work-welfare issues has nov clearly changed. Respondents from most states in the current survey felt that work-welfare programs and issues are currently either a high political priority or are receiving increasing visibility in their state, and about half the states have increased state funds for work programs over the past six years. Twenty-seven of the forty-four states where work-welfare was designated as being of high or increasing importance actually replaced funds lost through federal budget cuts or appropriated additional money for services such as daycare or for a state-financed work-welfare program.[34]

It is clear, however, that even states that have committed state funds for work programs generally have not been able to maintain pre-1981 staffing levels. Of all fifty states and the District of Columbia, forty-one have experienced a reduction in work-welfare program staff over the past five years. In half of these states, reductions largely occurred through hiring

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33./Nightingale, "Federal Employment and Training Policy Changes in the Reagan Administration."

34./This probably overstates the extent to which states are contributing to the programs, however, since some states replaced some of the funds lost in the 1981 federal budget reduction but have appropriated very little since then; and other states (e.g., Georgia) have only recently begun to fund work welfare programs.

freezes, personnel attrition, or staff reassignments, rather than through direct lay-offs. This suggests that most states have not been able to, or have not chosen to, sustain the level of the work programs with state funds.

Six states have maintained fairly stable work-program staff levels over the past five years by replacing at least some of the federal funds lost in WIN or by funding nev state work initiatives that are jointly administered with the WIN or WIN demo program: California, Delavare, Maine, Massachusetts, Nev York and Virginia. Another four states have maintained staff levels because fev funds vere lost as a result of changes in the WIN allocation formula (West Virginia) or because WIN staff vere assigned additional duties (Arkansas, South Carolina and South Dakota).

Those states that have kept their program levels high have probably been able to do so because their economies are strong; high priorty on work-welfare issues cannot be regarded as the sole reason for the financial backing received from the state government. Five of the six state programs where lost federal WIN funds were replaced and that experienced no staff reductions are located in the relatively prosperous eastern seaboard states and the sixth is California. In 1986 the average unemployment rate for these states was 5.2 compared to a national average of 7.0. Clearly these states filled the gap left by federal funds at least partly because they were better able to do so. In fact, of the 27 states that replaced some WIN funds or contributed to related programs, only six had unemployment rates higher than the average. Thus, the economy plays an important role in a state's financial committment to work-welfare; two respondents noted that the great demand for labor in their state was one explanation for the state's greater interest in getting more welfare recipients into the labor market.

Thus, there are strong indications that nationwide the political priority placed on work-welfare issues at the state level--defined as (1) perceived positive visibility and support, and/or (2) appropriation of state funds for work-welfare programs--has increased over the past seven years. However, those states that have appropriated state funds and maintained stable program levels despite federal budget reductions are in relatively good economic condition. Other states (especially in the midwest) clearly have high level political support for work-welfare programs, but probably for fiscal reasons have not been able to substantially supplement federal resources.

Geographic and Caseload Coverage of Work-Welfare Programs

In order to estimate the scope of the work programs currently operating, data were collected on (1) the number of counties in which WIN/WIN demo, IV-A job search, CWEP, grant diversion (or work supplementation), and food stamp work programs were operating at the conclusion of FY 1986;[35] and (2) the proportion of public assistance recipients in each state that reside in those counties.) In order to estimate the proportion of the AFDC and Food Stamp caseload that is potentially covered by various work-welfare programs, the proportion of households receiving public assistance in each county was

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35./No attempt was made to collect county-coverage data for GA work programs since these programs are often offered on a county-by-county basis (usually county-funded) and many of the state officials interviewed did not have information about these programs.

used as a proxy for the AFDC and Food Stamp caseload.[36] National estimates of coverage of work-welfare programs are provided in Table 3.5, and state-by-state detail appears in Appendix Tables II and III.

The estimates require two qualifications. First, in many instances, work programs do not necessarily operate throughout an entire county; these

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36./This method, although flawed, was considered preferable to asking respondents about caseload coverage, since there are many variations in how states define programs and caseloads. The intent was to develop estimates based on data that are most comparable across states. Data for public assistance caseloads were gathered from the 1980 Census of Population, General Social and Economic Characteristics, Tables 181 and 72. Public assistance income was defined as "[C]ash receipts of payments made under the following public assistance programs: aid to families with dependent children, old-age assistance (i.e., excluding social security), aid to the blind, and aid to the permanently and totally disabled." To get state estimates, the total public assistance caseload of counties within a state that have the federal AFDC work programs was taken as a percentage of the total state public assistance caseload. To get national estimates, the total caseload of the nation's counties with the federal AFDC work programs was taken as a percentage of the national public assistance caseload. These are only estimates, however, and are subject to bias because: the data used are for the entire public assistance caseload, not just AFDC clients, since they include the aged and handicapped as well; public assistance receipt is often underreported in census data; data from the 1980 census are used and changes could very well have occurred in public assistance caseloads, particularly the relative distribution of the national caseload in those states hard hit by economic recession.

TABLE 3.5
NATIONAL COVERAGE 1/ OF AFDC AND FOOD STAMP WORK PROGRAMS
BY NUMBER OF COUNTIES AND PERCENT OF
PUBLIC ASSISTANCE 2/ CASELOAD
(as of late 1986)

Program	States		Counties		Percent of Public Assistance Caseload Residing in Covered Counties
	Number	% of All States	Number	% of All Counties	
WIN/WIN Demo	51	100%	1708	54.4%	82.4%
IV-A Job Search	22	43.1%	940	29.9%	41.3%
CWEP	27	52.9%	864	27.5%	32.3%
Grant Diversion	17	33.3%	319	10.2%	29.2%
Food Stamp Job Search	37	72.5%	752	24.0%	35.7%
Food Stamp Workfare3/	8	15.7%	18	0.6%	4.4%

1/ Coverage does not mean service, as not all recipients are served by these programs. The percentage of those covered are of those who might be served.

2/ This represents the number of public assistance recipients in countries with a given program taken as a percentage of all public assistance recipients. Census defines public assistance income as "cash receipts of payments made under the following public assistance programs: aid to families with dependent children, old-age assistance, aid to the blind, and aid to the permanently and totoally disabled." Therefore, these should be considered estimates. For further explanation see footnote 4 in the text.

3/ Since Washington's food stamp workfare program was on hold, it is not included here.

estimates represent the maximum potential proportion of public assistance cases that could conceivably have access to the work-welfare programs. Therefore, total coverage of work-welfare programs is overestimated.

As expected, WIN/WIN demo was operating in the largest proportion of counties nationwide, followed by IV-A job search, CWEP, food stamps job search, grant diversion, and food stamps workfare. Table 3.5 shows that in 1986, WIN or WIN demo was operative in 54 percent of all counties, IV-A job search in 30 percent, CWEP in 28 percent, grant diversion in 10 percent, Food Stamp job search in 24 percent, and Food Stamp workfare in .6 percent of all counties.

Although WIN/WIN demo was in only about 54 percent of the nation's counties, those counties represent 82 percent of the national public assistance population. As mentioned previously, however, these data refer to programs in operation at the end of fiscal year 1986. Because federal funding for WIN extends only through June of 1986, many states were actively engaged in closing certain parts of their programs. The following states had concrete plans to phase down their WIN programs in early 1987:

- Colorado (eleven counties, or 22 percent of the state's public assistance population)
- Louisiana (one county, or 5.7 percent of the public assistance population)
- Mississippi (two counties, or 3.4 percent of the public assistance population)
- North Dakota (eight counties, or 15.5 percent of the public assistance population)
- Ohio (eighty counties, or 54.6 percent of the public assistance population)
- Wyoming (fourteen counties, or 28.1 percent of the public assistance population)

These 116 counties represent 2.9 percent of the public assistance population

nationally; nevertheless, even with these changes, WIN/WIN demo would still have the widest coverage.

Although CWEP operates in almost three times as many counties as grant diversion (27.5 percent to 10.2 percent), in 1986 CWEP was available for only a slightly larger percent of the public assistance caseload than was grant diversion (32.3 percent to 29.2 percent). This might suggest either that CWEP operates in counties with relatively lov public assistance populations, or that states with small public assistance populations tend to choose the CWEP option.

Most respondents in CWEP states did not feel that CWEP was more likely to be in rural counties as has sometimes been assumed. In fact most respondents did not feel that there were any geographic trends in the location of any of their work-welfare options (although, in general, most acknowledged that the major WIN and WIN demo programs are likely to operate in the areas with the largest caseloads).

On the other hand, an examination of average public assistance population in states with IV-A job search, grant diversion and CWEP, indicates that states with grant diversion programs on average have larger public assistance populations and states with CWEP on average have smaller public assistance populations. The public assistance population in CWEP states is, on average, only 72 percent of the public assistance population in grant diversion states. This is consistent with the finding presented above that the populous northeastern states seem more likely to have grant diversion than other programs, and less likely to have CWEP.

Thus, while CWEP may not be concentrated in small, rural counties, it is more common in small, rural states with large numbers of counties and relatively fev public assistance cases (e.g., Nebraska, Iova and West Virginia). This pattern may reflect a tendency of rural states to have a

higher acceptance of the concept of workfare, or the fact that workfare programs may be more difficult to implement in large urban areas (e.g., more costly to create and supervise the positions, monitor participation, enforce sanctions). There are a couple of exceptions to this pattern, notably Pennsylvania and Michigan which have statewide CWEP programs. Even in these two states, though, it appears that CWEP operates mainly in the least urbanized areas; Philadelphia, Pittsburgh and Detroit have minimal CWEP programs.

Although grant diversion is more likely to exist in populous states, in most of these states it is a small component. Data submitted by the states indicate that grant diversion programs range from a low of sixteen participants annually to a high of two thousand participants (compared to CWEP participation which ranges from eighteen clients to eleven thousand).[37]

IV-A job search is the most geographically comprehensive of the optional programs, on average operating in counties with 85 percent of a state's public assistance population. (Appendix Table II gives state-by-state coverage.) In twelve of the twenty-two states using this option the program was statewide and only two of the states covered less than 50 percent of their total caseload. Participation levels ranged from 212 to ten thousand per state.

37./ Many of the states that submitted program data provided total participation across programs (i.e., data for WIN were combined with data for the other options). Therefore, it is not possible to report the actual level of participation in CWEP or grant diversion programs for all states. The estimated ranges are based on states where data were available. A more detailed discussion of the program data provided by states is presented in a later section.

As indicated in Table 3.6 and in Appendix Table II which provides coverage information by state, there is variation among states in the proportion of the public assistance population that resided in counties with work-welfare programs in 1986. Twenty states had state-wide WIN or WIN demo programs in 1986 (fourteen WIN demo states and six regular WIN states), and thirty-six states had WIN or WIN demo programs in areas that include over 70 percent of the public assistance population. However, this means that fifteen state WIN or WIN demo programs covered less than 70 percent of the assistance population; nine states covered less than 50 percent of the assistance population (Alabama, Georgia, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina and South Carolina), and three of these (Mississippi, Missouri and South Carolina) covered less than 30 percent of that population.

Table 3.6 also presents the distribution of states by the proportion of public assistance population covered by <u>any</u> AFDC work program. (i.e., WIN/WIN demo, IV-A Search, CWEP or grant diversion.) The use of non-WIN/WIN demo options has in fact meant that 60 percent of the counties nationwide have at least one type of AFDC work component; these counties represent about 85 percent of the public assistance population.

In six states, however, less than 50 percent of the public assistance population resides in counties with AFDC work program. Although there are no nationally available historic data on WIN/WIN demo coverage of this population by state, of the six states with AFDC work programs in counties with less than 50 percent of the public assistance population in 1986, all, with the exception of Missouri, had covered considerably more local areas under WIN in 1979: Georgia covered thirty-two counties in 1979 (compared

TABLE 3.6
PROPORTION OF PUBLIC ASSISTANCE 1/ POPULATION IN
COUNTIES COVERED 2/ BY AFDC WORK PROGRAMS

Proportion of Public Assistance Population	Number of States by Proportion of Public Assistance Population in Counties Covered by WIN/WIN Demo			Number of States, by Proportion of Public Assistance Population in Counties Covered by Any AFDC Work Program (including WIN/WIN Demo)		
	WIN States	WIN Demo States	Total States	WIN States	WIN Demo States	Total States
100%	6	14	20	8	14	22
90-99%		5	5		6	6
70-89%	8	3	11	8	3	11
50-69%	3	3	6	4	2	6
30-49%	5	1	6	3	1	4
Less than 30%	3		3	2		2
Total # of States	25	26	51	25	26	51

1/ This represents the number of public assistance recipients in counties with a given program taken as a percentage of all public assistance recipients. Census defines public assistance income "cash receipts of payments made under the following public assistance programs: aid to families with dependent children, old-age assistance, aid to the blind, and aid to the permanently and totally disabled." Therefore, these should be considered estimates. For further explanation see footnote 4 in the text.

2/ Coverage does not mean service, as not all recipients are served by these programs. The percentage of those covered are of those who might be served.

to sixteen counties in 1986),[38] Kentucky covered twenty-five counties in 1979 (compared to 10 in 1986), Alabama covered ten counties in 1979 (compared to seven in 1986), Mississippi covered twelve counties in 1979 (compared to eight in 1986, and two of these were phased out early in 1987), and Louisiana covered nine areas/parishes in 1979 (compared to three in 1986, one of which was phased out early in 1987). Missouri covered about the same number of areas/counties (nine), but aside from St. Louis they were different areas.[39]

Thus, although most states are still able to operate WIN/WIN demo or other work programs in local areas where the majority of the public assistance population resides (at least through 1986), these six states have not done so. Many other states have also adopted one or more of the AFDC work program options at different rates of federal financial participation, and were thus able to maintain work programs statevide or in a large number of areas despite the WIN budget reductions, although it is not possible to say exactly hov many states specifically chose federal options to maintain high coverage.

Program Structure and Organizational Responsibilities

Important variations also exist in the structure of the work-welfare programs across states and the roles and responsibilities of different state agencies. This section first discusses the existence of "umbrella" work-

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38./In pending legislation in Georgia, state funds are to be appropriated to bring coverage back up to 32 counties.

39./The 1979 county coverage information is based on an earlier Urban Institute study of WIN, Implementing Welfare-Employment Programs.

welfare systems that include several components or programs. Then, the roles of the welfare agencies, the employment security agencies and JTPA in work-welfare programs are addressed.

Umbrella Programs

Since nearly all states now are implementing more than one work-welfare "program" (i.e., WIN/WIN demo, AFDC options, food stamp options, GA work programs), it is not surprising that many states have established work-welfare systems that include multiple programs or options. The term "umbrella program" is used to describe any integrated system that combines or coordinates more than one work-welfare program or option under some programmatic entity other than WIN/WIN demo. Twenty-five states had umbrella programs in 1986, but the nature of those programs varied tremendously across states. Table 3.1 at the beginning of this chapter indicated which states had umbrella systems, the names used to describe the umbrella system, and the programs or options included under the umbrella.

WIN demo states and northeastern states were more likely to establish an umbrella program to coordinate the federal options under one organizational entity. Sixteen of the twenty-five states with an umbrella program are in WIN demo states, seventeen if Rhode Island -- changing to WIN demo states in 1987 -- is included. Further, eight of the ten northeastern states have umbrella programs (including two WIN regular states), seven of the twelve north central states have umbrella programs (including two WIN regular states), five out of eleven western states have umbrella programs (including three WIN regular states), and six of the seventeen southern states have umbrella programs (including one WIN regular state). Alaska, a WIN regular state, also has an umbrella program.

Of the twenty-five umbrella programs, eleven include all the federal options in the state under one program, nine include all the federal options except food stamp job search (and workfare), three include all the federal options except WIN, and one includes all the federal options except WIN and food stamp job search. In eight states there is an integrated work program for general assistance and AFDC recipients, in at least some local areas (Michigan, Pennsylvania, Illinois, Kansas, Massachusetts, Virginia, non-WIN programs in Ohio, Utah's WEAT, and Chicago, Illinois).

Lack of an umbrella program, however, does not imply that the work programs are not coordinated. In fact, in eleven states without umbrella programs, the AFDC options are coordinated under the WIN or WIN demo program. (Ten other states offer WIN only, so coordination with other AFDC options is not an issue). For example, in several of these eleven states, IV-A job search, CWEP, and grant diversion are components of WIN. Generally, respondents in these eleven states implied that the federal options have been used to replace employment and training components that had previously been funded with WIN resources, but that had been phased out because of federal budget cuts.

Thus, the availability of numerous federal work options has resulted in many states developing umbrella programs to coordinate the various components. That is, although at the federal level the options may seem separate, most states have incoporated them into integrated programs.

Role of the State Welfare and Employment Security Agencies

Although the number of WIN demo states has increased, most state work-welfare programs still rely heavily on the employment service (ES). However, as indicated in Table 3.7 and Appendix Table IV, it is clear that the role of welfare agencies has increased. Of course, in the twenty-five

TABLE 3.7
ROLE OF STATE WELFARE AND EMPLOYMENT SECURITY
AGENCIES IN AFDC WORK PROGRAMS
(as of late 1986)

Role of ES	Number of States
Regular WIN State, joint administration, no major role changes	15
Regular WIN State, but increased role of welfare agencies in employment activities (e.g., administers non-WIN AFDC options or programs for volunteers or unassigned registrants)	10
WIN Single-agency Demo state, but the ES has a major contract to deliver some services statewide	9
WIN Single-agency Demo state, but the ES has an important role in selected areas of the state	10
WIN Single-agency Demo state, no formal ES role (although in some cases there is a non-financial agreement)	7

WIN regular states, WIN is still jointly administered by the welfare department and the employment service.[40] But in ten WIN regular states (Colorado, District of Columbia, Idaho, Kansas, Nevada, New Mexico, North Dakota, Ohio, South Carolina and Utah), non-WIN federal AFDC options or special programs for volunteers or other types of clients were administered separately by the welfare department.

Nineteen of the twenty-six WIN demo programs maintained formal relationships with the ES to provide services either statewide or in selected local areas. Statevide arrangements ranged from the ES providing basically the same services as under regular WIN (four states): Florida, Connecticut, New Jersey and South Dakota; to contracting with the ES to provide employment services (three states): Illinois, Indiana and Massachusetts. In two other WIN demo states (New York and Pennsylvania), the clients go first to the ES where attempts are made to place them directly into jobs; then after a certain amount of time, they go into components operated by the welfare agency.

There are also various other ways that the ES might be involved in selected areas. For example, there were five WIN demo states experimenting with alternative organizational models -- California, Maryland, Iowa, Tennessee and Wisconsin -- where the ES is very active in some counties but not in others. In Georgia (which is phasing out the ES role in the work-welfare program), Texas and Michigan the employment service involvement varies depending on arrangements made by the county welfare agencies, and in Arizona the ES serves AFDC recipients in non-WIN counties.

40./Respondents in four states noted, however, that in some counties it was not possible to jointly administer this program because a welfare office or an ES office did not exist.

Seven WIN Demo programs, however, had no major or formal role for the ES in 1986, although some had non-financial agreements for referring clients to other programs such as JTPA or targeted jobs tax credits (Arkansas, Delavare, Maine, Nebraska, Oregon, Virginia and West Virginia).

Thus, state employment security agencies continue to be very involved in AFDC work programs, even in most states with WIN demo programs. At the same time, however, the role of the welfare agencies in providing employment-related services has clearly increased, even in WIN regular states.

Multiple Program Models

As noted above, several states are experimenting with alternative organizational program models in different parts of the state. In fact, a total of nine states have multiple work-welfare program models: California, Maryland, Iowa, Tennessee, Wisconsin, Kansas, Ohio, South Carolina and New York.

The three regular WIN states in this group -- Kansas, Ohio and South Carolina -- have very similar models: (1) a regular WIN model -- jointly administered by the welfare department and the employment service and (2) non-WIN federal options (IV-A job search, grant diversion and/or CWEP) subsumed under an umbrella program and administered solely by the welfare department. This split structure is significant since two of these states Ohio and South Carolina -- are phasing out WIN, implying a further reduction of ES responsibilities.

New York, a WIN demo state, is unique in having a WIN program and a modified-WIN program. WIN provides the usual range of services -- job search, training, and work experience -- and operates in the counties with the largest AFDC populations. Mod-WIN consists of intensive job placement assistance by the ES. New York also requires each county to develop a

Comprehensive Employment Program (CEP) for public assistance recipients that can include a variety of federal and state program options, under various program structures. Thus, New York counties may have WIN or Mod-WIN and CEP, or CEP alone.

California, Maryland and Wisconsin have multiple program models providing different levels of services. California's Employment Preparation Program (EPP) emphasizes job search assistance, while GAIN provides a broader range of services (job search, education, training and CWEP). Eventually GAIN will become statewide and, since GAIN is administered solely by the welfare department (unlike EPP), the role of the employment service may diminish.

Maryland operates two expanded WIN programs, one in Baltimore (Options) run by the SDA under JTPA and one in Wicomico County (Basic Employment Training or BET) run by the welfare department. Other parts of the state have WIN demo, run basically like a traditional WIN program.

In early 1987 Wisconsin introduced a pilot program -- The Work Experience and Job Training Program (WEJT) -- that will operate in four counties. It is different from the previous program -- Wisconsin Employment Opportunities Program (WEOP) -- in the range of services provided. WEOP emphasizes job search and, although other components are available, they are limited; WEJT has more resources for classroom training and OJT.

The remaining two states with multiple programs, Tennessee and Iowa, have different administrative models. In half the counties in Iowa, half of the work program staff are ES personnel on contract to the welfare department, and in the other counties the entire program staff are welfare department employees. Iowa also has the Individual Education and Training Program (IETP) which is statewide and allows AFDC recipients to complete high school or obtain college degrees. Thus, either WIN demo plus the IETP,

or IETP alone may exist in a county. Tennessee has tried four administrative models: contracting with private employment agencies for placement services, collocating the welfare department with the employment service, contracting for service from the employment service, and contracting for services from JTPA. The first model was considered unsuccessful and has already been terminated, the other three operate in different parts of the state.

Thus, many states are interested in alternative program models, and are willing to invest some thought and resources to implementing them. In some cases the concerns may be pragmatic: the three regular WIN states appear to be adjusting to changes in federal policy, while New York is trying to extend WIN services to more counties by providing a modified program in some areas. Nevertheless, there are indications that at least a few states are experimenting with different service delivery or administrative structures to identify the most effective models.

Role of JTPA

Many state work-welfare programs rely on referrals to programs and state agencies outside the welfare-employment system for more intensive training, the most important of which are funded under the Job Training Partnership Act (JTPA). As would be expected since all public assistance recipients are eligible for JTPA, respondents in every state said their work programs refer clients to JTPA, but there is considerable variation in the role of JTPA and the committment of JTPA to welfare recipients.[41]

41./It is important to note that the information reported in this section represents the perspective of state work-welfare administrators in the welfare and employment security agencies. The next phase of this project will focus on the JTPA perspective.

Table 3.8 summarizes the various relationships and roles of JTPA, and Appendix Table V presents information for all states. In twenty-three states the work-welfare programs refer clients to JTPA, following regular JTPA procedures, usually on an informal basis or under a non-financial agreement; no special priority is given to work-welfare clients by JTPA. In nineteen states there is a somewhat higher commitment from JTPA to the work-welfare programs. For example, the governor may have established higher performance standards for JTPA to serve AFDC recipients, there may be financial coordination between JTPA and work-welfare funds, or JTPA and the work-welfare program may operate some activities (e.g., job clubs) jointly.

In at least nine other states, however, there is a more substantial JTPA role in the work-welfare system in that SDAs actually operate some of the work-welfare program's components in at least some local areas. That is, JTPA is receiving work-welfare funds to provide some services in Arizona, Colorado, Maine, Maryland, Massachusetts, New Hampshire, Ohio, South Carolina and Tennessee. In two of these nine states, New Hampshire and Massachusetts, JTPA operates components throughout the state under contract with the state welfare department.

Thus, the commitment of JTPA to the work-welfare system appears to be high in over half the states, confirming findings from other studies.[42] However, most state respondents indicate that JTPA performance standards do cause JTPA to "cream" the most employable clients. Respondents in eighteen states felt that JTPA has a strong commitment to welfare clients and an additional five mentioned this commitment is growing. In only three states did respondents indicate that JTPA places low priority on welfare clients.

42./Solov and Walker, "JTPA Service to Women."

TABLE 3.8
ROLE OF JTPA IN STATE AFDC
WORK PROGRAMS
(as of late 1986)

Role of JTPA	Number of States
Work Programs refer clients to JTPA but no special priority, although there may be a non-financial agreement	23
JPTA is encouraged to serve more AFDC clients and place more priority on them (e.g., special state performance standards; JTPA provides some resources to work-welfare programs; training slots set aside for AFDC; local coordinators)	19
JPTA has high priority on AFDC (as above) and JTPA delivers some work-welfare components in some local areas	7
JPTA has high priority on AFDC (as above) and JTPA delivers some work-welfare components in all local areas	2

Despite the apparent priority, however, over 80 percent of the respondents acknowledged that JTPA does select the most employable clients, and over half of these respondents explained that JTPA is forced to cream due to their performance standards or because of limited funding.

This information about JTPA and work-welfare programs should be interpreted with caution for two reasons, however. First, it may be that local programs refer and use JTPA as the primary source of training, even if state administrators do not report it. Respondents in nineteen states indicated that JTPA involvement varied substantially by county or locality within the state. Second, some of the respondents in this study were located in the state agency responsible for JTPA (e.g., state employment security agencies) and might have a different perspective about JTPA than those outside the agency.

Thus, JTPA does appear to be an increasingly important part of state work-welfare programs. In about half the states respondents feel JTPA has a strong commitment to serve welfare recipients, and in nine states JTPA receives funds to operate certain components of the work-welfare program.

Client Groups Served by Work-Welfare Programs

Although all state AFDC work programs serve AFDC clients who are actually receiving payments (recipients) and those whose youngest child is six years of age or older, there is substantial variation in the extent to which state work-welfare programs serve AFDC applicants and those clients with young children who are technically not required to participate in WIN.

Service to Applicants

Federal policies require that state AFDC work programs serve clients who are actually receiving AFDC benefits (i.e., recipients), and have the option

of also serving applicants before they actually become recipients. There is some debate about whether it is efficient to devote resources to applicants. On the one hand, some applicants may never become recipients, and others may receive benefits for only a short time (e.g., one or two months); serving them may mean diverting funds away from those who actually are on welfare for long periods. On the other hand, some observers feel that it is wise to try to divert applicants from welfare into jobs and thereby avoid any expenditure of AFDC funds on those persons.

Under both WIN and IV-A job search, states can provide services to applicants and/or require them to participate in employment program activities. As indicated in Appendix Table VI, fourteen of the twenty-two states that have IV-A job search programs report that they do serve at least some applicants under IV-A job search, and thirty-two states serve at least some applicants under their WIN or WIN demo program.

However, a few of these states require only certain types of applicants to participate in IV-A job search. For example, in Maryland and New Jersey, IV-A job search is required of applicants in selected counties only.

Similarly, some states that serve applicants under WIN or WIN demo may not offer them the same menu of services available to recipients. For example, applicants are not assigned to CWEP (presumably because CWEP regulations require clients to be recipients), and in some states (e.g., Connecticut) applicants may not participate in certain types of high-cost components such as long-term training. Some states or counties have also determined that it is not cost effective to serve applicants in all locales. For example, in one Louisiana county with an extremely high caseload, applicants are not served; yet both applicants and recipients are served in other counties.

In direct contrast, however, some programs target services on applicants hoping that this might help to eliminate long term dependency. The EPP/WIN demonstration counties in California emphasize serving applicants; Massachusetts encourages applicants as well as recipients to enter the ET program; and the Weld County, Colorado, job diversion program is targeted on this group.

Thus, there continues to be substantial variation nationally in service to applicants and differing opinions about the appropriateness of focusing work program resources on them.

Voluntary and Mandatory Participation

A controversial aspect of work-welfare policy concerns mandatory versus voluntary participation by clients, and how programs and staff interpret "mandatory participation." Although most programs are considered mandatory, there is some ambiguity about the concept of mandatory participation. First, program participation by "mandatory" clients may to some extent be voluntary. For example, clients may be required to register, but then may choose whether to actually participate or not, or they may be allowed to choose certain types of activities. In addition, participation may be "mandatory", but sanctions may be rarely imposed on those who do not participate. Second, those clients exempt from mandatory participation may volunteer to participate.

Mandatory Registration and Participation. As already discussed, federal AFDC legislation requires that all adult AFDC recipients not otherwise exempt (primarily because they live in geographically remote areas or have children under six) register with WIN and participate in employment-related activities. WIN registration is one of the items included in the federal AFDC quality control review process, and states are subject to possible

financial penalties if cases that meet the mandatory registration criteria are not registered. Because of the financial implications, all states comply with the mandatory registration requirement, at least in areas not designated as "geographically remote."

Over the past few years, several states have adopted universal registration policies to assure that there will be no quality control errors. Universal registration means that nearly everyone on AFDC is technically registered for the work program (i.e., WIN registration), regardless of whether they are mandatorily required to register or not. In essence, the registration process is simply a "paper function". Respondents in at least four states mentioned that they have universal registration, and the American Public Welfare Association indicates that other states are also following this practice.

Thus, mandatory registration, especially if it is universal, does not necessarily mean that participation in WIN or WIN demo program activities is made mandatory. At least three states described their WIN or WIN demo programs as completely voluntary--Massachusetts, Tennessee and Vermont. Tennessee and Vermont only recently made their programs voluntary and the proposed Family Independence Program in Washington State would at least initially include mandatory registration and voluntary program participation, accompanied by positive financial incentives to enroll in training or become employed.

All other states have mandatory WIN/WIN demo programs. Mandatory participation in most states means that, once registered, clients are required to participate in whatever activities to which they are assigned, depending on client needs, staff recommendations or program sequence. However, many mandatory programs have some components that are voluntary.

For example, the CWEP and work experience components are sometimes voluntary (e.g., in Delavare and Nebraska).

In the states operating mandatory programs, most respondents indicated that the participation requirement may be waived if various barriers are present which would interfere with an individual's participation. If mandatory clients are experiencing temporary problems (e.g. lack of day care, temporary health or personal problem, etc.) their participation requirement may be deferred until the matter is resolved. Because of reporting variations across states, it is not possible to estimate the extent to which mandatory clients' participation is waived. In some cases "temporarily exempt" clients may be placed in a "holding" or "unassigned" category; in other cases, they may technically remain in an assessment or job search category.

There are also substantial variations across programs in sanctioning clients who do not participate or cooperate with the mandatory program. Historically, there has been a very low level of sanctioning in the AFDC program (i.e., reducing a client's grant for a specified period of time) for several reasons.[43] First, the administrative paperwork associated with sanctioning is cumbersome. Clients must be notified in writing, work program staff must request that the income maintenance unit initiate a grant reduction, clients may appeal, and clients on whom paperwork has begun may return and cooperate, necessitating a reversal of the adjudication process. Second, for a single-parent AFDC family, the grant is reduced by the portion of the grant that is for the non-compliant member, and only for a limited

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43./Tracey Feild, Sabina Deitrick, and Brenda Chapman-Barnes, "The Work Requirement and the Welfare Reform Demonstrations," Washington, D.C.: MPR Inc. and Urban Institute, June 1981.

period of time. Many staff feel the sanction is not strong enough to enforce participation, especially given the amount of staff time and paperwork required.

Because of the variation across states in how sanctions are applied and reported, it is not possible to summarize the extent to which sanctioning is used in the current work-welfare programs. Traditionally, however, sanction rates have been very low, even in strictly mandatory programs. In WIN nationwide in 1981, 1.8 percent of all registrants were sanctioned, and in Pennsylvania in 1984 only 2 percent of all CWEP participants were sanctioned for not cooperating.[44]

Thus, although most state work-welfare programs are considered mandatory, it would not be accurate to assume that all activities are mandatory nor that all mandatory requirements are enforced. Two states that appear to take the mandatory participation requirements quite seriously are Florida and Oregon; mandatory activity and sanctioning are important aspects of their work-welfare systems.

Services to Recipients with Young Children. Federal AFDC regulations stipulate that those clients not required to register for WIN can volunteer for the program. Thus, every state can and does serve some women with children under six as volunteers. However, eight states have requested and received federal waivers to require women with children under six years of age to register with WIN, that is, make them mandatory clients: Arizona, Arkansas, Colorado, Michigan, Nebraska, Oklahoma, Oregon and West Virginia.

44./Office of WIN, Division of Program Planning and Review, "WIN Program Management Information Report," 1981, and Pennsylvania Department of Public Welfare, "Evaluation of CWEP," 1985.

Florida intends to require mandatory participation of women with children under six beginning in 1987. States also have the authority to require women with children under six to participate in CWEP; federal waivers are not necessary, but states must provide day care to CWEP participate with young children. Other states exhibited interest in this group by encouraging them to volunteer.

But while most respondents said they served volunteers, the program data submitted by states indicate that in fifteen states less than 10 percent of participants were volunteers and in another fourteen states between 10 and 20 percent were volunteers; and in ten state programs from 20 to 45 percent were volunteers. In four states (Indiana, Maine, Mississippi and New Hampshire) 30 percent or more of all work program participants were volunteers (i.e., with children under six years of age). A Massachusetts report indicates about 35 percent of ET participants have at least one child under six.[45] In the other two states with totally voluntary programs, Tennessee and Vermont, a large percentage of the participants may also be women with children under six, but these data were not separate obtained. No data were available on the remaining nine states.

Thus, although every state can serve women with young children and can require mandatory participation of these clients, few state work-welfare programs actually do so. There are at least three reasons for this. First, day care needs are greatest for women with pre-school children and, as discussed below, many states have insufficient amounts of day care. Second, given the limited (and declining) funds generally available for work-welfare

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45./ Massachusetts Department of Public Welfare, "The Massachusetts Employment and Training Choices Program: Program Plan and Budget Request FY87", January, 1987.

programs, the natural inclination will be to serve only those who are required by federal law to participate. Third, as already noted, welfare clients are more likely to volunteer for programs that have actual training; most of the states with high proportions of women with young children in their programs do emphasize training, as discussed in the next section.

Services Provided by Work-Welfare Programs

This section first summarizes the service delivery models used in state work-welfare programs and the different employment and training activities provided with work program funds. This is followed by a summary of the variations in the provision of supportive services, particularly day care.

Service Delivery Models

There are essentially two general client flow, or service delivery, models used in work-welfare programs. The two models can be generally labeled "assessment-based activities" and "sequential components", although few states fit neatly into the two categories.

Assessment-based models theoretically consist of an initial assessment of a client's needs, employability, interests and barriers to employment. The assessment then is used to decide which types of services or activities are most appropriate for the individual. The assessment model, traditionally used in the WIN program in the 1970s, is based on the theory that each client's situation is different and that an employability plan should be tailored to the individual.

In contrast, sequential component models consist of a predetermined sequence of activities or components through which all program clients proceed. The sequential model became more common as group job search components gained prominence, and is primarily based on the theory that the labor market itself is the best method for screening out those clients who

are able to find jobs on their own. If the individual has not been successful in obtaining a job after a specified period of job search or participation in a group job search assistance program, then he/she is assigned to another activity such as training or workfare. A variant on the pure sequential model involves assessing the client after the job search period to determine subsequent activities.

Appendix Table VII indicates which of the general models was described by respondents in each state. Most state respondents described their system as assessment-based; thirty-seven states fit this model. However, five of these states require certain types of clients to conduct job search first. In Oregon and West Virginia, applicants go into job search first and in Connecticut, AFDC-UP clients do. In Nev York job search is the main component used in mod-WIN counties.

In five states some or all clients go through job search followed by CWEP: in Arkansas, Idaho, and Pennsylvania, all clients proceed through job search followed by work experience or CWEP; and in Iowa and Nebraska, some clients, primarily men in two-parent families, follow this sequence.

Nine other states use a variant of the sequential model, whereby job search is the initial component for all clients, followed by an assessment to determine subsequent assignments (Alaska, Florida, Illinois, Michigan, Nevada, Oregon, Virginia, Washington and Wisconsin). Although these state programs are primarily centered around the group job search component, there is some variation by type of client.

California is unique in that a combination of both the assessment and sequential models is used depending on how recent the clients' work experience is and the length of time they have been on AFDC. Under GAIN, while program activities generally are assessment-based, most clients initially participate in job search. However, those clients whose AFDC

benefits have been discontinued a number of times because of employment are assessed before assignment to any program activity.

There may also be variations within some states at the local level in a program's client flow model. Many states give local office directors considerable discretion in approach, especially in states where there is more than one program. In addition, as one respondent noted, even if the state requires that job search be the initial activity for all participants, local programs may not comply with that requirement. For example, some local administrators may not have the staff or space needed to operate group job search sessions, and others may be committed to an individually-based client employability plan.

There is not always a clear distinction among the service models, since many state work-welfare programs that are described as assessment-driven have little to offer other than job search. Respondents in about 40 percent of the states that were assessment-oriented acknowledged that, following assessment, most clients actually go through job search first, either because that is the only activity funded by the program or because most clients are assessed as job ready and are directed into job search activities. Thus, there is no reason to necessarily assume that states that rely on the assessment process to make client assignments offer more services than those states that assign everyone to job search first.

Employment, Training and Education Activities

Of course there are many states that do provide a broad array of services through their work programs. Appendix Table VII notes which employment and training activities or components are offered by the work welfare programs in each state. While all state programs include at least a job search component, there is considerable variability in the extent to

which other work or training components are offered. It is important to note that this Appendix table refers only to those activities funded through the work-welfare programs. As discussed below, in many other states, limited services may be provided directly through the work-welfare program, but clients are referred to other agencies such as JTPA for training or other activities.

Eleven state work-welfare programs offered all the components traditionally associated with employment and training programs--job search assistance, work experience, classroom or vocational training, and on-the-job training; nine of these states offered CWEP as well. Respondents in seven of these states, however, noted that classroom and on-the-job training slots were very limited because more expensive components--those providing intensive training--were reduced as a result of budget cuts.

It appears, then, that only four state work welfare programs in 1986 were directly providing the full array of employment and training services to more than just a limited number of clients (Massachusetts, New York, Ohio and Vermont). In at least seven other states, a significant amount of training and education is provided to clients with special state funds through vocational and education agencies or JTPA: California, Connecticut, Delavare, Maine, Minnesota, Oklahoma and Utah. (Minnesota is unique because of the state-funded wage subsidy program.) Thus, these eleven state work-welfare programs appear to have had the most comprehensive training, education and employment components in 1986. This does not necessarily mean that these programs are the most effective in the nation in terms of measured participation and outcomes, just that they have the broadest and most comprehensive array of employment, training and education components.

In addition, several states either have new programs that are expected to be more comprehensive, or have comprehensive activities available in some

localities. Three states described new operating programs that do (or will) include more employment, training and education activities (Georgia, South Carolina and Wisconsin); and three others are planning for more comprehensive programs (Missouri, New Jersey and Washington). In four other states comprehensive activities are available, but participation varies considerably across local programs making it difficult to determine how extensively components other than job search are used statewide (Illinois, Maryland, Michigan, and Virginia).

Most other state work-welfare programs have job search as the primary or sole activity and reportedly have very few resources available for OJT, remedial education, vocational training or work experience. In fact, thirteen state work-welfare programs consisted of job search only (six states), or job search plus one other component (usually CWEP).

Two work components are particularly important, yet difficult, to describe: work experience and CWEP. Although CWEP for AFDC clients exists in twenty-six states, the nature of the component varies substantially. Many respondents emphasized that CWEP was more of a work experience program, designed to help clients develop a work history, rather than a punitive program. Work experience jobs, like CWEP jobs, are usually in the public or nonprofit sectors. Unlike CWEP, the primary purpose of work experience is not grant-abatement, but employability development.

However, in some states, the two components are very similar, differing only in whether the component is called work experience or CWEP. Respondents in at least eleven of the twenty-six AFDC workfare states described their CWEP programs as work experience programs and in another four states, the CWEP programs could be combined with job search or training components. In three states CWEP is used only for AFDC unemployed parents. Only one respondent explicitly stated that the objective of CWEP was to

provide a deterrent to welfare. This does not suggest that other states do not view CWEP as a deterrent, only that respondents appeared particularly sensitive in describing CWEP; they generally emphasized that the program was not intended to be punitive.

Thus, the primary activity being offered in work-welfare programs nationally is job search; both independent job search requirements (e.g., under the IV-A and food stamp job search programs) and group job search assistance. However, in about one-third of the states a comprehensive program that goes beyond job search is either operating, is being planned, or is at least available in some counties. In the rest of the states, the work-welfare programs are very limited, focusing essentially, or only, on job search activities. In addition, in at least two-thirds of the states with CWEP, the program is considered developmental, not punitive, and is similar to the traditional WIN work experience component.

Supportive Services

The provision of supportive services in welfare-employment programs is as essential as the availability of training, employment and education assistance. The primary services needed by welfare clients, either to participate in the work program or to obtain a job, are day care, transportation and health coverage. In all state programs some determination is made about the types of services a participant may need, but the extent to which various services are available and provided varies across states.

Day Care. Child care is the supportive service most typically provided to work program clients. While it was not possible to obtain estimates of total funds available for day care in all states by various sources, it is

clear that all states rely on some combination of sources of funding.[46]

Six primary day care funding sources were identified:

Title XX funds: States can use Title XX/Social Services Block Grant funds for a variety of social services for low-income persons, including day care. The funds earmarked for day care, however, often are targeted on certain priority groups determined by the state (e.g., children at risk of abuse or neglect, children of working AFDC mothers, children of employed low-income parents). The Title XX priority groups vary by state.

WIN funds: States can use WIN/WIN demo funds for day care or other supportive services, but the amount and distribution of WIN funds for day care vary by state.

AFDC Disregard. Federal AFDC regulations allow up to $160 in child care expenses per month per child to be deducted from earned income when calculating a client's AFDC grant amount. That is, a person who remains on AFDC can be reimbursed up to $160 per month of the total amount she pays for child care.

AFDC Special Needs Grant. Federal regulations allow states to provide additional benefits above the regular AFDC grant amount for certain special needs. Day care, however, is specifically excluded from the federal list of special needs. However, some states have requested and received federal waivers from this restriction to allow day care to be provided in some special needs situations.

JTPA funds. JTPA can pay for child care for children of JTPA program participants. However, federal regulations limit the amount of funds that can be used for supportive services (including day care, transportation, and participant allowances) to 15 percent of total program funds. That is, only a small percentage of JTPA funds can be used for child care.

State day care funds. In addition to the above federal funding sources, state legislatures can appropriate state funds for child care.

Table 3.9 summarizes the number of states reportedly using the various sources of funds for day care, and Appendix Table IX presents information

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46./Many states were unable to give the exact amounts of daycare funds used, especially from non-WIN sources. In the second phase of this study more detailed information will be obtained from local operators on the use of day care, particularly in JTPA.

TABLE 3.9
PRIMARY SOURCES OF DAYCARE FUNDING FOR
STATE WORK-WELFARE PROGRAMS

Funding Source	Number of States
Title XX Funds	40
WIN Funds	39
AFDC Special Needs Grant	10
JTPA Funds	29
State Daycare Funds	31

for all states. These tables note all sources of day care used by clients in the state work-welfare programs, as reported by state respondents to the interview. It is possible that some respondents cited only the most important sources, but the table nevertheless does identify the major sources of day care. For instance, it is interesting to note that there is apparently no one source of funding that is used by all state welfare-employment programs. Similarly, although presumably all states disregard child care expenses when calculating the AFDC grant amount, respondents in only thirty-three states mentioned this as an important source of day care for work program participants.

Historically the two most important sources of day care for AFDC clients have been WIN funds and Title XX funds. Yet in twelve state work-welfare programs, WIN/WIN demo funds are not used for day care and in eleven states, respondents said Title XX funds are not used. Even in those states that do use these two sources, several respondents noted that not many clients are provided child care with these funds. Presumably, the reduction in federal funding for both WIN and Title XX over the past seven years has affected states' reliance on these sources for day care for this population.

There is some indication, however, that many work-welfare programs have been able to obtain state revenues for child care. Thirty states reportedly have some state appropriated funds for daycare in connection with the work-welfare programs. The level of state funding ranges from "very limited" (but not specified) in Alabama and Maryland; to 8.6 million dollars in the California GAIN program in 1986 and about 20 million dollars a year in the ET program in Massachusetts. At least nine states, primarily in the northeast, appear to rely on special state funds or programs for day care substantially more than other states: California, Connecticut, Delaware, Maine, Massachusetts, Minnesota, Nev Hampshire, New York and Rhode Island.

Other states are implementing new pilot programs or initiatives that include expanding day care (e.g., Georgia, South Carolina and Wisconsin).

Finally, given the funding restrictions on the use of JTPA funds for day care, it is also interesting that respondents in twenty-nine states report that JTPA funds are used for child care for at least some welfare clients in JTPA programs. It was not possible in this phase of the study to determine the level of JTPA funding, but most respondents indicated it was very limited.

Massachusetts and Minnesota have developed unique and large scale day care policies worth noting. Minnesota's sliding-fee day care program provides assistance for clients that are in education, training, or job search programs. It is not restricted to AFDC recipients but is based on need. The Massachusetts ET program's day care policy is centered around the 20 million dollar state-funded day care voucher program, which is available to ET participants for up to twelve months after they enter a job. The average annual costs per participant in the day care voucher program is about $2500.

Thus, although most respondents (but not all) indicated that daycare is a serious barrier to employment for welfare clients, and given that federal funds traditionally available for this purpose have been substantially reduced, only eight to ten states have developed and funded substantial policies to provide child care for welfare clients in employment and training programs.

Transportation. Virtually all of the respondents also indicated that lack of transportation as well as lack of day care is a major problem, particularly in rural areas and other areas where there is no reliable public transportation. Respondents in forty-eight states reported that

transportation affects participation while only three respondents felt transportation is not a serious problem. A few persons indicated that lack of transportation services is the most severe problem clients face, even greater than day care needs. Lack of transportation can not only prevent some clients from participating in programs, but also preclude some from accepting job offers.

In a number of states the transportation problem varies significantly within the state because of rural/urban differences and the resulting availability of public transportation. For example, in New York and Illinois, lack of transportation is a serious issue in the rural areas but not in the major cities of New York and Chicago. In Mississippi, transportation is not a significant barrier in the Jackson area where there is a relatively reliable bus system, while it is a problem in the Gulf Coast area where public transportation is expensive and unreliable. In other states, the existing public transportation may not coincide with the needs of program participants. While there is bus service in Reno and Las Vegas, many of the available jobs are for late shifts when service may be limited. Those respondents who did not perceive transportation to be a major barrier to participation were generally those in states with large urban areas with good public transportation.

State work-welfare programs provide transportation assistance in a variety of ways. The most common approaches are to provide bus tokens or passes, reimbursement for mileage, transportation allowances, van service or school buses, and reimbursement for car repairs. Three states (Hawaii, Missouri and South Carolina) were not providing any transportation assistance to work program participants, and three others were able to provide only minimal assistance for emergency auto repairs or rides to job interviews (Pennsylvania, Texas and Wyoming).

All other states routinely provide allowances or tokens, reimburse mileage, or pay for essential automobile repairs. The daily allowances, however, vary across states from one dollar (in several states) to a maximum of ten dollars (Massachusetts). Eight state programs also have car or van pools in at least some rural areas, in addition to tokens or allowances (Delavare, Idaho, Indiana, Maine, Montana, North Carolina and Virginia).

The funding for transportation services is primarily provided under WIN; but in a few states some special state funding was also described. Two states have a fairly significant amount of state funds for transportation. Massachusetts has about 1.5 million dollars a year in state funds for transportation allowances; and Michigan expects to have 7-8 million dollars for various transportation services (e.g.; allowances and van pools), some of which is state funds.

Medical Coverage. In addition to day care and transportation needs, the majority of the state respondents felt that the potential loss of Medicaid coverage affects a client's willingness to accept and retain employment. Many of the jobs available to AFDC clients are entry-level, low-paying positions which offer few, if any, medical benefits for the employee. Even more important may be the effect that the potential loss of Medicaid has on job retention and recidivism; one respondent indicated that it is not unusual for some clients to terminate their jobs around the time Medicaid coverage runs out.

Despite the concern expressed about the health care problems facing clients who work, only four states (Delavare, Massachusetts, Michigan and Vermont) currently offer extended Medicaid coverage for AFDC families beyond

the federal limitations.[47] Ten additional states had either applied to the federal government to extend coverage, were considering expanding their coverage, or are designing special medical initiatives (Colorado, Connecticut, D.C., Maine, New Hampshire, Ohio, Rhode Island, South Carolina, Texas and Washington State.).

Respondents in five states mentioned that the state's Medically Needy program is helpful to some work program participants. In fact, thirty-five states have a medically needy program, which is a federally-allowed optional supplement to Medicaid for those whose income exceeds eligibility limits but who have incurred large medical bills. If after deducting the medical expenses from their income (the "spend down" provision), they fall below the state-established income standard, they become eligible for Medicaid. Thus, medically needy programs can be important for those persons with significant health problems, but they do not cover normal health care costs. In addition, several states have restricted their medically needy programs since 1981 by limiting the services covered.[48] Three of the four states that

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47./Federal regulations require that the states provide Medicaid coverage for nine months for families who have lost AFDC eligibility because of the termination of the thirty and one-third disregard. Those who become ineligible for AFDC due to increased earnings are eligible for four months of extended Medicaid coverage. In addition, states are given the option of extending coverage for an additional six months for families who would be eligible for AFDC benefits if the $30 and one-third disregard were applied.

48./Randall R. Bovbjerg and John Holahan, Medicaid in the Reagan Era, The Urban Institute, 1982.

have extended Medicaid for AFDC recipients who become employed also have medically need programs (Massachusetts, Michigan and Vermont).

A few respondents indicated that work-welfare staff try to promote job placements with employers who offer employee benefit packages, but that these types of jobs are limited. The Massachusetts ET program, however, has increased priority on helping clients obtain health insurance, and about 75 percent of all ET jobs placements reportedly now include employer provided health coverage. For those clients who do not have employer covered insurance, Massachusetts has established the Health Choices program. Clients are eligible for one full year of coverage under Health Choices, and may decide when that coverage should begin (presumably most start Health Choices when Medicaid eligibility expires). The Health Choices package includes a variety of options such as health maintenance organizations, pre-paid plans, and private physicians.

Thus, there is tremendous variation across states in the extent to which supportive services are provided to clients participating in work-welfare programs. Although most respondents agree that day care, transportation and medical coverage are important services, only a few states have developed special programs or provided funds for such services. New England states, especially Massachusetts, appear to have made relatively high commitments to supportive services.

Program Data Limitations

Recent studies of work-welfare programs have suggested that there is widespread variation among states in the way data are collected and terms defined for data reporting purposes, making cross-state comparisons difficult. For example, a recent U.S. General Accounting Office study, presented data collected from states but included many caveats as to the accuracy and

comparability of data across states.[49] In an effort to better understand differences across states, respondents in the present study were asked not only to provide us with data, but to define key terms including: (1) the criteria used to define an individual as a participant, (2) the criteria used to define a job placement, and (3) sources and levels of funding.

Forty-nine states submitted program data, but there are so many variations in reporting definitions that none of the data is included in this report. The state program and funding data will be presented in a future report. This section summarizes some of the reporting and definitional issues, identified through the interviews and the review of state data.

Participation Data

There is considerable variation among states in how work program participant data are reported, as well as variation within some states depending on the type of report.

First, when asked at which point an individual is considered a participant, an equal number of respondents said they count individuals as participants either at the time of program registration or when clients are actually involved in a component such as assessment or job search. Respondents in four states indicated that clients are not counted as work program participants until they have become AFDC recipients, even if they are actively served while applicants. It was also found that some states may define participants differently for reporting purposes than for internal purposes. For instance, for federal reporting purposes, Massachusetts defines participants as those who have registered, while for internal managements reports, participants are counted as those who have been assessed. This was probably also the case with

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49./U.S. General Accounting Office, Work and Welfare.

a significant number of other states: many states provided statistics on registrants, although in the telephone survey they had defined participants as those actually involved in a component. Registrant or participant counts are further complicated because some states, as already discussed, register all AFDC cases for WIN/WIN demo, while others only register those who are mandatories or who volunteer for services.

Second, all states count and serve both mandatory and voluntary participants but they vary in their definition of a mandatory client (primarily because of differences in the age of youngest child rule), and at least ten states were not able to provide separate counts of mandatory and voluntary clients.

Third, most state work-welfare programs double count at least some participants, although the circumstances under which this can occur varies. Of the respondents in thirty states that indicated that double counting occurs, some said that this can occur within a program if a client leaves and then re-enrolls again in the same year. Others said it can occur if a client is in more than one component--such as WIN and CWEP--in any given year; in this case the double-counting occurs across programs. Also, some states such as Florida, may double count individuals internally, but provide unduplicated counts for federal reporting purposes.

Another factor that was reported to cause double-counting is the extent to which state work programs use the Employment Service Automated Reporting System (ESARS).[50] For instance, in Montana and the District of Columbia it was noted

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50./ESARS is the Employment Service Automated Reporting System, which in the 1970s was the reporting system for WIN as well as the ES. The WIN demos were not required to use ESARS, and after 1985, the reporting system for regular WIN states was also changed. Many state programs, however, continue to use ESARS for WIN or WIN demo.

that because there is a three month overlap between ESARS and WIN program reporting years, there are some duplicate counts in the number of participants. It is possible that this happens in other states as well, but perhaps was not indicated by respondents. Also, although double counting makes it difficult to interpret data on actual participant numbers, some states using ESARS, such as West Virginia, indicated that it is possible to provide an unduplicated point-in-time count of participants in various components.

Twelve states were able to send data for their entire umbrella program, thus eliminating double-counting across programs, but for the majority of states double-counting across and within programs was endemic to the data. Thus, double-counting along with universal registration and large unassigned pools, produces serious deficiencies and noncomparability in the data.

Since regular WIN programs, until FY1986, were subject to more detailed reporting requirements than WIN demos, more variations were expected among WIN demo states. This was not the case, however. Some WIN demos were able to provide and explain very detailed and complete data, while some regular WIN programs were not. About half the states provided data for federal fiscal years 1985 and 1986; the other state reported by state fiscal years, or used different fiscal or program years for different programs.

Job Placement Data

Respondents were also asked to explain how they count and report entered employment, or job placement, activity. First, respondents in half of the states surveyed indicated that a reporting distinction is made between agency placements and client obtained employment. In some states only those placements that result from some program activity are counted. In at least a few states, however, it appears that a computer match is conducted with the

state employer wage reporting system to identify all welfare recipients who have been employed in a given quarter; these individuals are then added to the program job entry statistics.

In most states, both full and part-time employment are included in the job placement rates. However, some respondents indicated that while separate counts are kept internally on both, only full-time employment is reported to the federal government; while in at least one state, part-time employment is counted as a half-placement. In the reports states were asked to submit for this study, sixteen states contained no separate breakdown of full-time and part-time employment.

Similarly, in a majority of states (30) a job placement must last at least 30 days before it is counted as an entered employment for WIN or WIN demo. Some states use other criteria for a "placement", including: only counting mandatory participants who obtain a job, or counting all positive terminations (including suspense to training) as placements. In a few states, a job must be at a certain wage rate to be counted as a placement: in Wisconsin jobs must meet a set wage standard; and in Massachusetts, a distinction is made between placements paying $5.00 an hour or more and those paying less than that amount. (Contractors are only reimbursed for the former.)

These types of distinctions can be a major source of disparity among states depending on which data are reported to the federal level. States have every incentive to make their placement statistics as high as possible. However, since the federal agencies have not specified consistent definitions, it is impossible to compare states or aggregate for the nation; some states count any and all welfare recipients who become employed and other states attempt to identify those resulting from the program, or those meeting other criteria.

Program Funding Data

There was also variation in the ability of states to provide data on work program funding levels, partly because many states provide in-kind funding and partly because of the inadequacy of data on day care expenditures. Most states were able to provide data on federal and state contributions to program activities. (Nevertheless, ten states did not send funding data or sent incomplete data.) Many respondents noted that their state contributed in-kind services over and above what was required by federal regulation, but that amount could not be estimated. Many states were only able to provide information for the WIN program, but not for the other AFDC options. Day care funding is particularly difficult to estimate. Most states could estimate WIN day care funding, but not funding from other sources. Twenty-eight states either sent no day care funding data, or sent incomplete data.

Thus, given the lack of clear federal reporting definitions and reporting requirements, it would seem ill-advised to use state reported data to develop national estimates of work program participation levels, job placement rates or funding levels. Extensive statistical adjustments would be necessary, and even then the reliability of the national estimates might be questionable.

Summary

This Chapter provided substantial detail about the specific work-welfare programs operating nationwide in 1986. The major trends and patterns can be summarized as follows:

- The work-welfare system in many states has become extremely intricate since the enactment of federal changes in the early 1980s allowing states numerous AFDC and food stamp work program options. As of the end of 1986, only three states had not adopted any of the federal options. In all other states, there were various combinations of WIN/WIN demo, CWEP, IV-A job search, grant diversion, food stamp job search and food stamp workfare.

- There appears to be some geographic variation in the types of program states operate: (a) northeastern states were more likely, and western states less likely, to choose the single-agency WIN demonstration option; (b) northeastern states were less likely to choose CWEP and more likely to operate grant diversion programs; (c) northeastern and north central states were also most likely to have state-sponsored work-welfare programs; and (d) northeastern states were more likely to establish an umbrella program to coordinate the federal options under one organizational entity.

- In general the political priority on work-welfare at the state level -- defined as (1) perceived strong support and visibility and/or (2) appropriation of state funds for work-welfare programs -- has increased in the past seven years. However, only six states have appropriated enough state funds to maintain stable program levels. All six are in relatively good economic and fiscal condition: Delaware, Maine, Massachusetts, New York, Virginia and California.

  Other states, especially in the midwest, also seem to have placed high priority on work-welfare programs, but have not substantially supplemented federal resources with state funds, presumably because their fiscal situations are less favorable than in northeastern states.

  Priority is not high in all states, however. In at least six states officials indicated that they feel work programs are not a high priority in their state.

- Nationwide in 1986, WIN/WIN demonstration programs were operating in 54 percent of all counties, and those counties represented about 82 percent of the public assistance population. WIN/WIN demo continues to be the core of the national AFDC work-welfare system, although a few states have used the federal AFDC options to expand work-program coverage in non-WIN locations.

- After WIN/WIN demo, the next most geographically extensive work component in 1986 was IV-A job search, operating in 30 percent of all counties, followed by CWEP in 28 percent of all counties, food stamp job search in 24 percent of the counties and AFDC grant diversion in 10 percent of all counties. Some WIN/WIN demo or AFDC work option was operating in about 60 percent of all counties nationwide; about 85 percent of the public assistance population resides in those counties.

- Although most states have been able to operate WIN/WIN demo or other work programs in local areas that include the majority of the public assistance population, a number of states have not. Twenty states had statewide WIN/WIN demo programs in 1986, and thirty-six states had programs in areas where over 70 percent of the public assistance population resides.

  However, this means that in 1986 fifteen state work-welfare programs operated in areas with less than 70 percent of the state's assistance population, nine states covered less than 50 percent of their public assistance population (Alabama, Georgia, Kansas, Kentucky, Louisana,

Mississippi, Missouri, North Carolina, and South Carolina), and three of these (Mississippi, Missouri and South Carolina) covered less than 30 percent of that population.

- The nature of federal changes and options might suggest that the interagency structure of WIN would have been replaced with a system dominated by welfare agencies. This has apparently not totally happened. Instead the system is becoming more equally balanced. Although the number of WIN single-agency demonstration states has increased, state employment security agencies continue to be very involved in AFDC work programs in all but a few states. At the same time, the role of welfare agencies in providing employment-related services has clearly increased, even in WIN regular states.

- JTPA appears to be an increasingly important part of state work-welfare programs. In about half the states, JTPA is viewed as having a strong or increasing commitment to serving welfare recipients; and in nine states JTPA receives funds to operate certain components of the work-welfare program.

- Although every state AFDC work program has the option of serving women with young children, few programs actually require them to participate or actively encourage them to participate.

- Eleven states appeared to be relatively comprehensive in terms of providing a full array of employment and training services to more than just a limited number of welfare recipients. Four state work-welfare programs were directly providing all employment and training services (Massachusetts, New York, Ohio and Vermont), and seven provided services by coordinating closely with vocational and educational agencies or JTPA using specially-targetted state funds (California, Connecticut, Delavare, Maine, Minnesota, Oklahoma and Utah).

- Although most state administrators indicated that day care is a serious barrier to employment for welfare clients, only eight to ten states have developed and funded policies to provide child care for welfare clients in employment and training programs. This is particularly serious given the continuing reduction in the two traditional federal sources of day care funds - WIN and Title XX.

- There is little variation across states in the extent to which supportive services are provided to clients participating in work-welfare programs: in most states supportive services are quite limited. Although most respondents agree that day care, transportation and medical coverage are important services, only a few states have developed special programs or provided funds for such services. Northeastern states, especially Massachusetts, appear to have made relatively high commitments to supportive services.

- The primary activity offered in work-welfare programs nationvide is job search; both independent job search requirements and group job search assistance.

- One of the most obvious results of federal policy actions in the work-welfare area is that there are nov serious barriers to estimating the scope and impact of the work-welfare programs. There are fev federal reporting requirements for WIN, WIN demo or the AFDC optional components. And there is substantial variation across states, and across programs within some states, in hov participation and outcomes are defined and reported. The result is that it is extremely difficult to obtain comparable program activity and outcome data across states.

Although it is difficult to categorize state work-welfare programs -- given their complexity and data limitations -- the information gleaned from this report still points to significant differences in the nature of state work-welfare programs. More specifically, clear patterns can be seen in terms of the breadth of the programs, their geographic coverage and services offered, and the extent to which the state is contributing resources to the programs. Eleven states stand out as having the most comprehensive programs, in terms of services, geographic coverage and state financial commitment: California, Connecticut, Delavare, Maine, Minnesota, Oklahoma, Utah, Massachusetts, Nev York, Ohio, and Vermont. At the time of the interviews all of these states provided work programs in areas where from 90 to 100 percent of the public assistance population resided, except Minnesota which operated in areas where 70 percent of population resides. Minnesota is unique in that while the WIN program is very limited because of federal budget reductions, the state has enacted innovative programs for the lov-income population in general.

All of these states provided a vide range of employment, education and training services either through the work-welfare system or through other agencies (such as JTPA), and most (particularly California, Connecticut, Delavare, Maine, Minnesota, Massachusetts, and Vermont), provided extensive support services vhen compared to other states in the country. California, Delavare, Maine, Massachusetts, and Nev York also stand out for the significant amount of state funds that have been contributed to their

programs. Massachusetts has clearly committed the most state funds (as a proportion of total work-welfare resources) and California is expected to make similar committments in the future.[51]

It is interesting to note that half of these comprehensive states are WIN demos and half are regular WIN, suggesting that a dual-agency structure may not necessarily be a hindrance. Seven of the eleven states are in the northeast, consistent with the patterns seen throughout this report. As noted earlier, those states that tended to have the most comprehensive programs were those fiscally better able to do so.

In four other states -- Illinois, Maryland, Michigan, and Virginia -- there are also comprehensive program models available, but considerable county-by-county variation, making an overall assessment difficult. That is, there may be some comprehensive county work-welfare programs in these states, but not all counties are necessarily operating comprehensive programs.

51./It is important to emphasize that these states are comprehensive in that they have work-welfare programs that include a broad range of services and activities. This does not necessarily mean that all of these states are providing all the services needed by the welfare population; in some cases there may be service limitations in some parts of the state, particularly in large urban metropolitan areas. Nor does it necessarily mean that they are the most effective programs in the nation in terms of outcomes such as job placements or reduction of welfare dependency. Because of the inconsistencies in program reporting definitions across states and the reduced federal reporting requirements it is not possible to examine effectiveness in those terms in this report. A subsequent report will summarize the program activity and funding data submitted by states for this study.

At the other end of the scale, there are seven states that seem to have programs that offer minimal services and coverage: Alabama, Arizona, Hawaii, Kentucky, Louisiana, Mississippi and New Mexico. Less than 70 percent of the public assistance population in most of these states are in counties with work programs and, generally, little more than job search is offered.

All other states fall somewhere between these two extremes. Some states after little previous state attention to work-welfare -- are starting up (or are planning to start up) ambitious programs (Georgia, Missouri, New Jersey, South Carolina, Washington, and Wisconsin). Most of the remaining state programs were described as primarily emphasizing job search or CWEP with some additional services and components available for some clients or in some local areas. Respondents in many of these states indicated they are phasing down program services in response to WIN funding termination.

In fact, even some of the states with comprehensive programs in 1986 will be forced to cut back if there are additional reductions in WIN funds, and some had already planned to reduce program coverage in 1987 (e.g., Ohio). In such states, WIN was often described as the thread that holds the work-welfare system together. It would be erroneous to assume, therefore, that even exemplary programs could survive without the federal support. In the next chapter the future of the national work-welfare system, in light of possible budget reductions and the on-going welfare reform debate, is discussed.

CHAPTER 4

IMPLICATIONS FOR FEDERAL POLICY

The information provided in the previous chapters is relevant to the current federal welfare reform debate in two ways. First, as discussed in Chapter 2, there are some major aspects of federal welfare and employment policy that have historically surfaced on a periodic basis. That is, many of the issues and programs at the core of the current welfare reform dialogue have been debated numerous times over the years. There are really very few new issues.

Second, welfare reform has been raised at the federal level every year since 1981 with minimal results beyond marginal and fragmented policy changes. The issue is definitely receiving more intense political and Congressional attention in Washington in 1987. Meanwhile, in many states there has been a continuing and growing wave of "welfare reform" policies, proposals and initiatives since 1981. In some states, though, work-welfare policy and programs are in "limbo" waiting for federal direction. A primary general finding in Chapter 3 is that there are different categories of state work-welfare programs. Congress should consider the effect that various programmatic and funding provisions would have on different types of states.

This chapter discusses several issues related to current proposals before Congress relating to federal welfare reform. The chapter incorporates comments and opinions of the state administrators interviewed in this study, and draws on both the current and historical experience of work-welfare programs.

A perhaps somewhat amazing observation is that some states as of the end of 1986 were still operating extensive WIN, WIN demo or other work-welfare programs, and a number of states were proceeding with proposals to revise or improve the programs in 1987. This is surprising considering the tremendous uncertainty at the federal level about future policy directions, combined with drastic budget reductions over the past seven years and the present expectation that the WIN program may not receive funding in the future.

This does not mean, though, that states are generally coping and proceeding without federal support. On the contrary, many states had already begun closing down some local operations early in 1987; since the WIN 90-10 money provides the core funding for most state work-welfare programs, many states may not be able sustain programs without a clear commitment of federal funds. Although some respondents fully anticipated the Congressional appropriation of supplemental funds for WIN, several administrators expressed a serious concern that they may still lose some of their more experienced and capable staff who are being reassigned or requesting transfers.

In general, state administrators seem to be very open to various federal legislative alternatives, but the anxiety level is rising. There is now a "window of opportunity" for reforming or restoring the work-welfare system nationvide. However, in many states it may be very difficult to regain the momentum and expertise in work-welfare programs if Congressional inaction continues much beyond the summer of 1987.

As discussed earlier, federal welfare-employment policy has been surrounded by controversy for several decades. Some of the current controversy stems from differing philosophies about the objectives of federal policy in this area and the most appropriate roles and responsibilities of the federal and state governments.

One of the most critical issues concerns the respective roles of the federal and state governments. The Reagan administration has emphasized that the federal role in most domestic policy areas should be minimized to allow states maximum discretion. Proposals for a decreased federal role are typically accompanied by proposals for reduced federal spending. Others, particularly Democrats, emphasize the need for clear national policies in the area of social programs. The federal AFDC program regulations were gradually expanded in the 1960s in order to equalize the eligibility standards and treatment of disadvantaged families across states. National AFDC standards, proposals that require minimum or guaranteed benefits, and those that require all states to implement AFDC-UP components for two-parent families reflect a belief that the federal government should have some guiding role in welfare programming.

The major congressional proposals related to welfare-employment policy currently under consideration recognize both positions. There are general statements that there should be a continuing national policy aimed at helping welfare recipients become independent and self-sufficient. The proposals also acknowledge, to varying degrees, that states should have maximum discretion in designing work-welfare programs. In addition, all proposals are sensitive to the continuing federal budget deficit problems and attempt to minimize federal funds. Given the nature of the current work-welfare system nationally, as described in Chapter 3, these dual objectives are often at odds.

It appears that the critical differences among the Congressional work-welfare proposals relate to funding levels and financial arrangements. The challenge will be to devise federal funding mechanisms and policy requirements that will assure that all states operate a program at some meaningful level,

but at the same time not discourage states from continuing or developing policy initiatives, particularly those that already exist in many states. It is clear that under existing federal policies, several states have been able to develop comprehensive work programs for welfare recipients that provide a broad range of employment, training, education and social social services.

This suggests at least two points. First, current federal policies do allow for comprehensive activities; states are not necessarily restricted to providing low-cost job search activities. Any new legislation should allow for at least as comprehensive a mix of services as is currently available, otherwise it may not be an improvement over the current system. Second, though, under current policies, most states have <u>not</u> been able to to develop comprehensive programs, because (1) federal funding and program direction has been uncertain for seven years making it difficult to develop meaningful short- or long-term program plans, and (2) many states are not in a fiscal and/or political position to maximize federal funds through the use of the optional programs. This suggests that perhaps the most critical need now is a clear and long-term commitment by the federal government to fund work-welfare programs. The annual battle for the past seven years over WIN and its funding, and frequent instructions to phase down, close down and phase up the program has placed a severe administrative and operational burden on many states.

State administrators raised several policy issues and problems related to these two points that Congress should consider in its attempt to improve the system. The most serious problem mentioned by the officials interviewed in this study concerned insufficient funds and uncertainty about federal funding over the past seven years. Respondents in about half of these states felt that inadequate and inconsistent funding precludes programs from providing any

intensive training or education activities; the most prevalent activity nationvide nov is job search. A common complaint vas voiced about the nev food stamp employment and training program, which has very limited federal funding, thus forcing states to operate non-intensive programs such as independent job search. Lack of funds (especially for staff and supportive services) has caused many states to limit or close vork-velfare programs in non-metropolitan or rural areas. Many respondents noted that uncertainty about federal WIN policy and funds has contributed to very lov staff morale.

Many state administrators indicated that federal program regulations also encourage short-term strategies, such as job search or direct job placement. That is, it is not just the limited funding that has pushed most states to emphasize non-intensive activities such as job search. Respondents particularly noted (1) national and state political pressure for employment and training programs to shov that they have placed large numbers of welfare clients into jobs, and (2) federal reporting requirements that request little information other than the number of job placements.

JTPA provides a clear example of the federal incentive structure. Given the equitable service provision in JTPA, which clearly was intended to encourage service to AFDC clients, and the limitation on using JTPA funds for supportive services and allovances, one might vonder vhy only 20 percent of the JTPA enrollees are from AFDC families. One answer may vell be that, responding to federal directions that seem to emphasize pleasing the private sector and encouraging programs to place participants into jobs as quickly as possible with the least cost, the JTPA system is forced to focus primarily on those eligible persons who are the most employable. AFDC recipients typically have very lov competency levels in reading and mathematics, suggesting that a large proportion of AFDC family heads cannot currently qualify for JTPA vocational training, which often requires at least a seventh grade competency level or

higher.[52] Unless JTPA is redirected to emphasize remedial education and long-term training, it is not likely to serve as an option for large numbers of AFDC clients.

A related problem mentioned by many administrators concerns the work disincentives present in federal regulations, particularly the loss of the AFDC disregard and Medicaid after four months of employment. Although there is little conclusive research to substantiate whether or not these are actually disincentives, several states are beginning to seriously consider policies that might help counteract the disincentives. For example, only four states now extend Medicaid coverage for AFDC recipients who become employed beyond what the federal government allows, but respondents in several other states indicated that options are being seriously considered. In addition, the Washington state welfare reform proposals would increase the financial incentives attached to obtaining employment. Thus, Congress should include provisions and funds to allow states to extend services such as child care or

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52./ An Educational Testing Service study of a national sample of WIN registrants found that forty-four percent read below the ninth grade level. (Marlene Goodison, Testing Literacy Levels in the WIN Population, Center for Occupational and Professional Assessment, Educational Testing Service, Princeton, New Jersey, 1982) Similarly, preliminary information from the Philadelphia Saturation Work Program indicates that for those WIN mandatory clients who did not have a job in the previous two years, the average reading competency was at about the fifth or sixth grade level, and the average math competency was at about the fourth grade level. The group tested represented 80 percent of all WIN mandatory clients in the demonstration. (Demetra Smith Nightingale, "Assessing the Employability of Welfare Clients", The Urban Institute, Washington, D.C., 1986)

health coverage after a client becomes employed to help them retain the jobs they obtain through the work programs.

There is also a strong perception among state administrators that staff and officials in federal agencies do not understand (or do not consider) the interrelationships among the various programs related to work-welfare. Two of the more common complaints are: (1) the separate policies for AFDC and food stamp work programs require an inordinate amount of time to be spent on administrative reporting and paperwork; and (2) federal agency policy statements from DOL, HHS and the Department of Agriculture recognize that welfare clients must be trained and educated in order to become employed and independent, but the statements disregard that there are currently few federal funds and programs for either those types of activities or for supportive services (e.g., day care).

More specifically, there were particular concerns about interprogram issues in the following areas:

- JTPA is not currently designed to allow significant amounts of long-term training or remedial education which are needed by the majority of welfare clients;
- job search activity is perceived to be a federal priority for both AFDC and food stamp work programs, and even the Perkins vocational education funds need not necessarily be used for training or education, but can also be used for job search assistance;
- the food stamp employment and training program and the AFDC work programs are likely to be implemented together by most states, but federal regulations for the two programs are totally separate and discourage integration; and
- lack of funds for day care, especially after a client becomes employed, is a serious problem since the limited Title XX funds in many states are often not available for providing day care for children with working parents, and the AFDC child care disregard is helpful only in the first few months of employment.

There is a fairly strong consensus among state officials that federal action must be taken to encourage coordination at both the federal and state levels among the various relevant federal programs and regulations. This goes

beyond simply coordinating the activities currently funded under WIN and the AFDC work options. JTPA, Vocational Education/Perkins Act and Title XX funds are critically needed by state welfare-employment programs, particularly in those states that do not have state-funds appropriated for the programs (beyond the required matching amounts) due to fiscal or political limitations.

There are obvious barriers to interagency coordination in any program area, and the historic tension that has existed between the employment side (e.g., DOL) and the welfare side (e.g., HHS) in work-welfare policy certainly makes the problems more serious in this particular area. Because services, funds and expertise from many different programs and departments are necessary for an effective work-welfare program, single-agency administration would not necessarily be able to solve the coordination problems. In fact, in about half of the single-agency WIN demonstration states, respondents complained about the difficulty the work program has coordinating with other agencies within the welfare department (e.g., the income maintenance unit).

The dual agency structure of WIN has been criticized by many, but it is clear that some state programs are still operating fairly successfully within the dual agency system. Given the continuing budget deficit problems, the dual or multi-agency approach should not be dismissed totally. Multi-agency administration is perhaps more complex to administer, but the benefits in terms of more efficient use of limited resources may outweigh the costs in some instances. One model that might be feasible, for example, would be a joint interagency program staff at the national level (as currently exists in WIN), but alloving state discretion in choosing the appropriate structure below the state level (as proposed in the Hawkins bill).

Although organizational coordination cannot be "forced" upon non-receptive agencies, some legislative initiatives could encourage closer interaction and communication regardless of the overall administrative structure. For example,

the Kennedy/JEDI legislation would increase the financial incentives for closer coordination between the welfare-work programs and JTPA. Other possibilities might include establishing an interagency committee on work and training programs (DOL, HHS, FNS, and the Department of Education) to develop coordinated reporting requirements, program communications, technical assistance and performance criteria for JTPA, WIN (or its replacement), Perkins Act programs, the ES, and the food stamp employment and training program.

However, although about 25 percent of the administrators contacted thought that one integrated federal work-welfare program would be a good idea, there were many concerns, particularly if the integrated program were designed as a block grant to states. First, an integrated program or block grant would not necessarily solve the problem of not being able to provide intensive services, nor would it mean more funds would be available for the programs. In fact, many respondents fear that federal consolidation or block granting of work program funds would actually mean fewer federal dollars, particularly for those states that have been able to maximize the open-ended 50-50 funds under the IV-A job search, grant diversion and CWEP options. Several persons mentioned that having all the funds in "one pot" would make work-welfare an easier target for budget reductions at some point in the future. Finally, several respondents expressed concern that without explicit federal requirements for states to operate comprehensive work programs for welfare clients, some states might divert block grant funds away from work programs, or not authorize supportive services.

Similarly, there was only mixed support for uniform federal financial participation (matching) rates for all work-welfare programs. Currently WIN is funded at 90-10; food stamps employment and training provides a 100 percent federal grant to states but states can be reimbursed at 50-50 if their expenditures exceed the basic funding level; and the AFDC work options under

IV-A job search and CWEP are reimbursed at a 50-50 rate. A majority of the administrators contacted were uncomfortable about a single matching rate because they associate that with a reduction in total federal funds.

About 20 percent of the respondents also indicated that they felt it would be very difficult to sustain their work program at its current level without some core federal committment like the WIN 90-10 funding. As discussed earlier, not all states place high priority on welfare-employment issues, and historically the priority has risen and fallen periodically. Without a stable and significant commitment of federal funds, welfare-employment programs may become more vulnerable to the changing political climate in states, making it difficult to operate a stable program.

This suggests that a mixed financing method might best assure that all states operate programs at some basic level and still encourage states to expand their programs if the political and financial support are available. The new food stamp employment and training program and the provisions in the Hawkins bill provide a basic grant amount to all states (with no state match required for the food stamp program, and a ten percent match proposed in the Hawkins bill), but states can supplement that amount, with a higher state match required for funds exceeding the basic grant level.

The most major problem that became obvious during the course of this study is the serious lack of comparable data across states and across programs. Although state administrators understandably may not consider this a problem for operating their own programs, several did express concern about the added burden imposed by having different reporting requirements for various federal programs. Most felt that it would be worthwhile to develop consistent definitions and reporting requirements across programs, but did not feel that it would happen because of interagency coordination problems at the national level. Although many state officials complained about the burden of current

federal reporting, they did not generally feel that uniform reporting definitions uniformity would necessarily ease the states' reporting burden.

Nevertheless, from a national perspective the current lack of consistent and reliable program data is a very serious problem. In the long-run, future policy decisions, federal monitoring and program evaluations will be negatively affected by the lack of even the most basic information. Aside from any other legislative changes that are made, Congress should carefully examine the reporting requirements of all relevant programs and assure that there are clear reporting procedures and definitions for federal accountability purposes.

The reporting problems are particularly important if funds or bonuses are to be attached to performance. It is essential that all states perceive that the performance funds or bonuses are being equitably distributed. A large part of the credibility attached to such funding will be based on the perceived accuracy and comparability of reporting data. It is clear that currently there is minimal comparability across state work-welfare programs on even the most basic information such as number of participants and number of participants who enter employment. If the bonuses are based on more complicated measures such as welfare grant savings or the quality of jobs, the reporting comparability and accuracy will become critical and tremendously difficult problems.

The JEDI bill would certainly encourage some states to increase JTPA services to the least employable welfare clients, but it would entail substantial upfront administrative costs for developing accurate reporting and trackings system and coordinating client reporting systems between JTPA and welfare agencies. Many work-welfare programs operating within welfare agencies have difficulty coordinating such client tracking information; it will probably be even more difficult for JTPA. Congress should assure accurate and efficient reporting by devoting enough resources to encourage states to develop appropriate systems.

In general, though, state administrators are not enthusiastic about performance standards for work-welfare programs, especially if resources are not substantially increased. In particular, many administrators stated that performance measures based primarily on job entries or placements cause program staff to behave in ways that may not necessarily be intended (e.g., selecting those clients most employable); and performance measures targeted on the those least employable means substantial investments must be made in long-term training, education and supportive services. Many criticisms were raised about the food stamp employment and training program which appears to focus more on the process of moving clients through a program rather than on outcomes such as employment or self-sufficiency. Performance measures that are process-oriented will tend to discourage program emphasis on outcomes. Several respondents also noted that states and local areas vary in terms of economic conditions and even in terms of what types of clients might be considered "most in need"; thus statistical adjustments to standards are necessary, but there were concerns that statistical adjustments may not adequately capture some critical variations.

In conclusion, the descriptions of state work-welfare programs as they existed at the end of 1986 and the discussions with state administrators indicate that although perhaps ten or eleven states might continue to move forward in developing state welfare-employment initiatives regardless of federal policy, at least that many states are unlikely to operate any program without clear federal directions, guidelines and funds. Most other states are somewhere between these two extremes, and their program capacity is rapidly declining while Congress debates the future of welfare, WIN and its funding.

It would be unwise to pattern federal legislation after the heavily-funded experiences in the few exemplary states such as Massachusetts or California, without a substantial federal commitment of resources for training, education

and supportive services. Most states are not in a position, fiscally or politically, to increase funding for their work programs. If Congress wants a national policy on work requirements or work and training opportunities for AFDC clients, the primary funding and political support will have to come from the federal government to assure stability from one year to the next. If the national work-welfare system as a whole is expected to do better than it is currently doing, Congress must provide for intensive programs and services. Without federal direction and commitment, Congress must accept that some states may not do much to help welfare clients become self-sufficient.

State administrators were eager to discuss their work-welfare programs, both successes and problems, and their ideas for federal policy, but it was evident that in many states the current "window of opportunity" for maintaining some minimal program capacity is gradually closing. If federal action is not taken soon, it may take a substantial amount of time and money to rebuild the basic expertise and operational structure for work-welfare programs.

The urgency is very clear. In trying to reform the entire welfare system AFDC, food stamps, Medicaid, WIN -- Congress may be undertaking a large and controversial task that realistically cannot be completed in a short period of time. In fact, history suggests that large-scale welfare reform efforts are very difficult to enact; the 1987 effort may not be any more successful than the efforts in the 1970s. It may make more sense for Congress to immediately consider work-welfare legislation or reform, separately from other welfare issues, perhaps building on the JEDI and Hawkins bills or revising current WIN legislation. One message from the states is that the national income maintenance system will survive with or without welfare reform, but the national work-welfare system may not survive unless some federal policy action is taken soon.

APPENDIX TABLES

APPENDIX TABLE I
PENDING STATE LEGISLATION/NEW INITIATIVES/PROPOSED CHANGES

State	Description of Legislation/Initiatives/Changes
Alabama	none
Alaska	Department preparing a bill to increase services within WIN, also considering CWEP.
Arizona	Preparing for WIN phase-out June 30. Considering AFDC-U.
Arkansas	Department making contingency plans for shut-down in June.
California	Bill to provide AFDC recipients training in entrepreneurial skills.
Colorado	IV-A job search and grant diversion authorized but no funds appropriated for staff as yet. Applying for a waiver to extend Medicaid benefits after employment for those not covered.
Connecticut	Considering expansion of supported work; increases in medically needy level, raise child care subsidies and income levels to qualify for daycare. Department looking for ways to stregthen case management and quality control.
Delaware	none
District of Columbia	Department considering consolidation of welfare department work activities under the income maintenance unit and extended medical coverage up to 15 months.
Florida	Bill to require teen mothers to stay in school, provide for remedial and vocational education, and lowers age of youngest child to 3. Bill (based on GAIN) requiring workfare and lowers age of youngest child to 1. Departmental initiatives to work closer with JTPA, develp model to get more services to clients. Anticipating 30-50% reduction in staff with loss of WIN.
Georgia	Additional funding requested to expand PEACH.
Hawaii	Applying for WIN Demo.
Idaho	Department trying to extend CWEP to more areas, may implement IV-A job search, and grant diversion in coming months. May phase out WIN and replace with IV-A programs.
Illinois	FY86 budget request for additional funds for special contractors and extra staff for Project Chance. Legislative study group looking at ways of improving work-welfare program.
Indiana	Request for funds to operate new umbrella program.
Iowa	none
Kansas	Proposing increased funding and staff, and more comprehensive services such as literacy, GED, classroom training.
Kentucky	Expect more counties phased out in March or April in response to cuts.

APPENDIX TABLE 1 (CONTINUED)

State	Description Of Legislation/Initiatives/Changes
Louisiana	none
Maine	Request to legislature for additional funds to replace cuts. Also interest in consolidating adult education and training. Departmental initiative to get funds for transitional services for first year of employment.
Maryland	More state money requested for IJO, improving daycare, reorienting department to employment and training.
Massachusetts	New departmental emphasis on case management; targeting on teenage parents and long term dependents. Request for more day care funds.
Michigan	Departmental initiative to solve transportation problem with van pooling and develop a program for learning impaired and illiterate.
Minnesota	Funds requested for AFDC entrepreneurial program and teen parent program. Departmental initiative to implement IV-A job search and examine alternatives to WIN; anticipating WIN phase-out by June.
Mississippi	Bills being introduced for CWEP and grant diversion, and job search in all counties. Expect to phase-out WIN by June.
Missouri	Governor requesting funds for Learnfare Program: consolidation and expansion of the existing program.
Montana	none
Nebraska	none
Nevada	none
New Hampshire	State DHHS requested additional monies for services (OJT, CT, Basic Education, and counseling). Also proposal to allow clients to purchase medical insurance from DHHS and to transfer AFDC surplus from previous years to day care account.
New Jersey	Governor's initiative REACH Program: fold in WIN with emphasis on women with young children. Department developing Adolescent Parent Unit.
New Mexico	none
New York	Planning phase-out of WIN.
North Carolina	Interest in expanding CWEP.
North Dakota	none
Ohio	Authorization pending to go statewide with Work Programs. Already phasing-down WIN counties. Considering extension of medical benefits.
Oklahoma	Proposal for modified AFDC-UP program (limited to 6 months, with workfare).

APPENDIX TABLE I (CONTINUED)

State	Description Of Legislation/Initiatives/Changes
Oregon	3 pending proposals: to consolidate all employment program in one department, to consolidate all daycare programs, to prohibit restrictions for JTPA participation. Governor's Task Force looking at welfare. Department initiatives to improve child care, to decrease teen pregnancy and drug abuse, to increase employability of young parents.
Pennsylvania	If no new WIN funds, may not be able to renew contract with Employment Service, looking at ways to avoid duplication of services.
Rhode Island	Pending legislation to provide more child care funds. Considering extension of medical benefits.
South Carolina	Probably phase-out WIN by June 30; requesting additional money for the Work Support Program. Applied for wavier to extend Medicaid.
South Dakota	none
Tennessee	none
Texas	Departmental proposal to extend Medicaid.
Utah	Departmental proposal to eliminate licensing of daycare centers and use money saved to fund day care. Also proposal to eliminate direct payment of child care to providers, dollars will be put into client grant.
Vermont	Formulating contingency plans if WIN not refunded.
Virginia	Governor's task force on employment and training.
Washington	Governor's proposal of Family Independence Program: education, training and work program with incentive system (allows retention of earnings up to 135% of benchmark), and transitional services.
West Virginia	Request for research project to help women become self-employed and request for more staff.
Wisconsin	none
Wyoming	Interest in pursuing IV-A job search and/or AFDC-UP program with a work component. Department may classify additional counties as remote, expecting loss of WIN in June.

Note: This table represents responses to several question: Is there new legislation pending (in the state), are there new initiatives by the governor, are there new initiatives by the department, do you anticipate any changes in reaction to recent federal budget cuts or the possibility of a new program?

APPENDIX TABLE II

GEOGRAPHIC COVERAGE OF FEDERAL WORK PROGRAM OPTIONS
BY PERCENTAGE OF STATES' PUBLIC ASSISTANCE POPULATION
IN COVERED COUNTIES

State	# of P. A. Households	% Covered by WIN	% Covered by IV-A Job Search	% Covered by CWEP	% Covered by Grant Diversion	% Covered by Food Stamp Job Search	% Covered by Food Stamp Workfare
Alabama	107,464	38.1		6.5		57.7	
Alaska	6,333	57.7	57.7			55.4	
Arizona	37,644	66.9			66.9	70.1	
Arkansas	59,537	100.0				44.3	4.4
California	569,400	95.9	96.2	23.1	16.2	19.1	6.9
Colorado	39,607	76.8		57.3	5.2	28.6	
Connecticut	51,841	100.0	100.0		100.0		
Delaware	11,772	100.0		100.0		100.0	
District of Col.	20,642	100.0					
Florida	181,978	95.1	95.1		95.1	87.7	3.0
Georgia	134,124	36.5	36.5	36.5		32.1	
Hawaii	21,111	75.8				75.8	
Idaho	12,600	75.7		62.9		55.8	
Illinois	224,695	100.0				63.6	63.6
Indiana	80,256	70.5					
Iowa	44,580	54.1		46.8		100.0	
Kansas	31,248	42.8	61.6	65.3		48.7	
Kentucky	94,788	32.7				25.3	
Louisiana	112,946	30.8					
Maine	26,607	93.2	93.2		93.2	58.4	
Maryland	81,251	87.3	50.5		87.0		
Massachusetts	138,613	100.0	100.0		100.0		
Michigan	234,666	100.0		98.8	47.4		
Minnesota	59,122	74.1		6.4	15.7	67.6	
Mississippi	85,770	24.3				27.7	
Missouri	93,468	29.7				100.0	
Montana	10,334	53.2				53.2	
Nebraska	17,854	100.0	100.0	100.0		12.3	
Nevada	8,548	82.9		82.9		85.6	
New Hampshire	11,794	73.7				100.0	
New Jersey	154,462	90.4	90.4		72.7	100.0	
New Mexico	25,753	54.0		22.9		72.4	
New York	450,135	91.5		79.1	84.7	16.7	
North Carolina	126,830	46.7		38.5		79.8	4.9
North Dakota	7,075	76.4		56.5			
Ohio	213,268	100.0	23.9	23.9	23.9		
Oklahoma	57,723	100.0	100.0	100.0	100.0	47.6	
Oregon	45,027	100.0	100.0		100.0		
Pennsylvania	262,523	100.0		100.0			
Rhode Island	22,865	100.0	100.0				

APPENDIX TABLE II (CONTINUED)

State	# of P. A. Households	% Covered by WIN	% Covered by IV-A Job Search	% Covered by CWEP	% Covered by Grant Diversion	% Covered by Food Stamp Job Search	% Covered by Food Stamp Workfare
South Carolina	74,835	26.5	100.0	7.1		N.A.	8.3
South Dakota	9,485	100.0		100.0		46.9	
Tennessee	110,938	50.3				69.6	
Texas	221,451	100.0	100.0			65.8	
Utah	16,960	79.0	100.0	100.0			
Vermont	10,230	100.0	100.0	100.0	100.0	30.7	
Virginia	95,512	100.0	100.0	100.0		34.6	1.2
Washington	67,075	100.0	100.0	11.6	17.0	100.0	
West Virginia	45,121	100.0		100.0		100.0	
Wisconsin	88,518	73.3	73.3	2.9		20.5	0.5
Wyoming	3,763	100.0					
Percentage of National P. A. Caseload Covered		82.4	41.3	32.3	29.2	35.7	4.4

Note: Data for programs operating at the conclusion of 1986.

Information for counties operating Food Stamp Job Search in South Carolina was not available.

Data for Public Assistance caseloads were gathered from the 1980 U.S. Census of Population, General Social and Economic Characteristics, Tables 72 and 181.

APPENDIX TABLE III

GEOGRAPHIC COVERAGE OF FEDERAL WORK PROGRAM OPTIONS
BY NUMBER OF COUNTIES, BY STATE

State	Total # of Counties	WIN	IV-A Job Search	CWEP	Grant Diversion	Food Stamp Job Search	Food Stamp Workfare
Alabama	67	7		3		21	
Alaska	23	5	5			4	
Arizona	15	2			2	3	
Arkansas	76	76				17	4
California	58	32	33	11	10	4	1
Colorado	63	21		25	1	8	
Connecticut	8	8	8		8		
Delaware	3	3		3		3	
District of Col.	1	1					
Florida	67	46	46		46	31	1
Georgia	159	16	16	16		7	
Hawaii	5	1				1	
Idaho	44	14		9		7	
Illinois	102	102				1	1
Indiana	92	19					
Iowa	99	49		57		99	
Kansas	105	4	17	19		7	
Kentucky	120	10				4	
Louisiana	64	3					
Maine	16	13	13		13	5	
Maryland	24	10	2		9		
Massachusetts	14	14	14		14		
Michigan	83	83		75	7		
Minnesota	87	27		7	15	29	
Mississippi	82	8				9	
Missouri	115	9				115	
Montana	57	6				6	
Nebraska	93	93	93	93		1	
Nevada	17	2		2		3	
New Hampshire	10	5				10	
New Jersey	21	13	16		9	21	
New Mexico	32	6		5		13	
New York	62	39		27	37	35	
North Carolina	100	25		27		56	6
North Dakota	53	19		10			
Ohio	88	88	19	19	19		
Oklahoma	77	77	77	77	77	10	
Oregon	36	36	36		36		
Pennsylvania	67	67		67			
Rhode Island	5	5	5				

APPENDIX TABLE III (CONTINUED)

State	Total # of Counties	WIN	IV-A Job Search	CWEP	Grant Diversion	Food Stamp Job Search	Food Stamp Workfare
South Carolina	46	8	46	2		21	2
South Dakota	66	66		66		13	
Tennessee	95	23				33	
Texas	254	254	254			30	
Utah	29	4	29	29			
Vermont	14	14	14	14	14	2	
Virginia	136	136	136	136		21	1
Washington	39	39	39	6	2	39	
West Virginia	55	55		55		55	
Wisconsin	72	22	22	4		8	2
Wyoming	23	23					
Total # of Counties	3,139	1,708	940	864	319	75	18
Percent of Counties Covered		54.4%	30.0%	27.5%	10.2%	24.0%	0.6%

Note: Data for programs operating at the conclusion of 1986.

APPENDIX TABLE IV
ROLE OF STATE WELFARE AND EMPLOYMENT SECURITY
AGENCIES IN AFDC WORK PROGRAMS BY STATE

State	Regular WIN		WIN Demo		
	No Major Change	Increased Role for Welfare Agency 1/	Major ES Contract	ES in Select Areas	No Formal ES Role 2/
Alabama	x				
Alaska	x				
Arizona				x	
Arkansas					x
California				x	
Colorado		x			
Connecticut			x		
Delaware					x
District of Columbia		x			
Florida			x		
Georgia 3/				x	
Hawaii	x				
Idaho		x			
Illinois			x		
Indiana			x		
Iowa				x	
Kansas		x			
Kentucky	x				
Louisiana	x				
Maine					x
Maryland				x	

APPENDIX TABLE IV (CONTINUED)

State	Regular WIN		WIN Demo		
	No Major Change	Increased Role for Welfare Agency 1/	Major ES Contract	ES in Select Areas	No Formal ES Role 2/
Massachusetts			x		
Michigan				x	
Minnesota	x				
Mississippi	x				
Missouri	x				
Montana	x				
Nebraska					x
Nevada		x			
New Hampshire	x				
New Jersey			x		
New Mexico		x			
New York			x		
North Carolina	x				
North Dakota		x			
Ohio		x			
Oklahoma				x	
Oregon					x
Pennsylvania			x		
Rhode Island 4/	x				
South Carolina		x			
South Dakota			x		
Tennessee				x	

APPENDIX TABLE IV (CONTINUED)

State	Regular WIN		WIN Demo		
	No Major Change	Increased Role for Welfare Agency 1/	Major ES Contract	ES in Select Areas	No Formal ES Role 2/
Texas				x	
Utah		x			
Vermont	x				
Virginia					x
Washington	x				
West Virginia					x
Wisconsin				x	
Wyoming	x				

1/ For example welfare agency may administer non-WIN AFDC options, or programs for volunteers or unassigned registants.

2/ May be a non-financial agreement.

3/ Phasing out ES in 1987.

4/ Shifting to WIN Demo in 1987.

APPENDIX TABLE V
ROLE OF JTPA IN STATE AFDC WORK PROGRAMS,
BY STATE

State	Referrals Only 1/	Encouragement/ Support Activities 2/	Delivers in Some Areas 3/	Delivers in All Areas 4/
Alabama	x			
Alaska	x			
Arizona			x	
Arkansas	x			
California		x		
Colorado			x	
Connecticut		x		
Delaware		x		
District of Columbia	x			
Florida		x		
Georgia	x			
Hawaii	x			
Idaho		x		
Illinois		x		
Indiana		x		
Iowa	x			
Kansas		x		
Kentucky	x			
Louisiana	x			
Maine			x	
Maryland			x	
Massachusetts				x

APPENDIX TABLE V (CONTINUED)

State	Referrals Only 1/	Encouragement/ Support Activities 2/	Delivers in Some Areas 3/	Delivers in All Areas 4/
Michigan	x			
Minnesota		x		
Mississippi	x			
Missouri	x			
Montana	x			
Nebraska	x			
Nevada	x			
New Hampshire				x
New Jersey	x			
New Mexico	x			
New York		x		
North Carolina	x			
North Dakota		x		
Ohio			x	
Oklahoma		x		
Oregon	x			
Pennsylvania	x			
Rhode Island		x		
South Carolina			x	
South Dakota		x		
Tennessee			x	
Texas		x		

APPENDIX TABLE V (CONTINUED)

State	Referrals Only 1/	Encouragement/ Support Activities 2/	Delivers in Some Areas 3/	Delivers in All Areas 4/
Utah		x		
Vermont		x		
Virginia		x		
Washington	x			
West Virginia		x		
Wisconsin	x			
Wyoming	x			

1/ Work programs refer clients to JTPA, but no special priority on welfare; may be a non-financial agreement.

2/ JTPA is encouraged to serve more clients and supports some work-welfare activities (e.g., training slots set aside, state incentives/penalties, local coordinators, state performance standards, or JTPA provides some resources for some work-welfare activities).

3/ JTPA has a high priority on AFDC and delivers some work-welfare components in some local areas. This category includes states where JTPA programs are actually contracted to deliver a component; those which provide OJT or job placement through referral are not inlcuded.

4/ JTPA has a high priority on AFDC and delivers some work welfare components in all local areas.

APPENDIX TABLE VI

SERVICES TO AFDC APPLICANTS IN IV-A JOB SEARCH AND WIN, BY STATE

State	IV-A	WIN
Alabama		
Alaska	X	X
Arizona		X
Arkansas		X
California	X (in EPP and GAIN counties)	
Colorado		X
Connecticut	X	X
Delaware		
District of Columbia		
Florida		
Georgia		
Hawaii		
Idaho		X
Illinois		
Indiana		X
Iowa		
Kansas		
Kentucky		X (no longer after 1987)
Louisiana		X (in two counties)
Maine		
Maryland	X (in two counties)	X
Massachusetts	X	X

APPENDIX TABLE VI (CONTINUED)

State	IV-A	WIN
Michigan		X
Minnesota		
Mississippi		X
Missouri		X
Montana		X
Nebraska	X	X
Nevada		X
New Hampshire		
New Jersey	X (in 16 counties)	X
New Mexico		X
New York		
North Carolina		X
North Dakota		X
Ohio		
Oklahoma	X	X
Oregon	X	X
Pennsylvania		
Rhode Island		
South Carolina	X	X
South Dakota		X
Tennessee		X
Texas		
Utah	X	X

APPENDIX TABLE VI (CONTINUED)

State	IV-A	WIN
Vermont	X	X
Virginia	X	X
Washington	X	X
West Virginia		X
Wisconsin		
Wyoming		X

APPENDIX TABLE VII
CLIENT SERVICE MODEL USED IN STATE WORK-WELFARE PROGRAMS, BY STATE

State	Assessment Determines Services	Specified Sequence	
		JS First	Assessment After JS Determines Sequence
Alabama	x		
Alaska		x	x
Arizona	x		
Arkansas		x	
California	x (w/wk. exp.)	x	x
Colorado	x		
Connecticut	x (AFDC)	x (AFDC-U)	
Delaware	x		
District of Columbia	x		
Florida		x	x
Georgia	x		
Hawaii	x		
Idaho		x	
Illinois		x	x
Indiana	x		
Iowa		x (non IEIP)	
Kansas	x		
Kentucky	x		
Louisiana	x		

APPENDIX TABLE VII (CONTINUED)

State	Assessment Determines Services	Specified Sequence	
		JS First	Assessment After JS Determines Sequence
Maine	x		
Maryland	x		
Massachusetts	x		
Michigan		x	x
Minnesota	x		
Mississippi	x		
Missouri	x		
Montana	x		
Nebraska		x	x
Nevada		x	x
New Hampshire	x		
New Jersey	x		
New Mexico	x		
New York	x	x (mod WIN)	
North Carolina	x		
North Dakota	x		
Ohio		x	
Oklahoma	x		
Oregon	x (recipients)	x (applicants)	
Pennsylvania		x	
Rhode Island	x		
South Carolina	x		

APPENDIX TABLE VII (CONTINUED)

State	Assessment Determines Services	Specified Sequence	
		JS First	Assessment After JS Determines Sequence
South Dakota	x		
Tennessee	x		
Texas	x		
Utah	x		
Vermont	x		
Virginia		x	x
Washington		x	x
West Virginia	x (recipients)	x (applicants)	x
Wisconsin		x	x
Wyoming	x		

APPENDIX TABLE VIII
EMPLOYMENT AND TRAINING COMPONENTS OFFERED
BY STATE AFDC WORK PROGRAMS, BY STATE

State	Job Search/ Job Club[1/]	Work Experience[2/]	CWEP/ Workfare[3/]	Classroom Training[4/]	OJT[5/]
Alabama	X		X		
Alaska	X	X		X	
Arizona	X				
Arkansas	X	X			X
California[6/]	X	X	X	X	X
Colorado	X	X	X	X	X
Connecticut	X	X			X
Delavare	X		X	X	
District of Columbia	X	X			
Florida	X				X
Georgia	X		X		
Hawaii	X	X			
Idaho	X		X		
Illinois	X		X	X	
Indiana	X	X			
Iowa	X	X	X	X	
Kansas	X		X		
Kentucky	X				
Louisiana	X	X		X	
Maine	X	X			X
Maryland	X	X			X
Massachusetts	X	X		X	X
Michigan	X	X	X		X
Minnesota	X	X	X	X	X

APPENDIX TABLE VIII (CONTINUED)

State	Job Search/ Job Club[1/]	Work Experience[2/]	CWEP/ Workfare[3/]	Classroom Training[4/]	OJT[5/]
Mississippi	X				
Missouri	X				X
Montana	X				
Nebraska	X	X	X	X	
Nevada	X	X	X	X	X
New Hamphsire	X				X
New Jersey	X	X			X
New Mexico	X		X		
New York	X	X	X	X	X
North Carolina	X	X	X		
North Dakota	X		X	X	
Ohio	X	X	X	X	X
Oklahoma	X	X	X		X
Oregon	X			X	X
Pennsylvania	X	X	X	X	X
Rhode Island	X				
South Carolina	X	X	X		X
South Dakota	X		X	X	X
Tennessee	X			X	X
Texas	X				
Utah	X		X		
Vermont	X	X	X	X	X
Virginia	X		X		
Washington	X	X	X		X
West Virginia	X		X		X

APPENDIX TABLE IX (CONTINUED)

State	Title XX	WIN	AFDC Spec. Needs	JTPA	State Daycare
Maine	x	x		x	x
Maryland	x	x			x
Massachusetts	x	x	x (pending)	x	x
Michigan	x		x		x
Minnesota	x	x	x	x	x
Mississippi	x	x		x	
Missouri		x			x
Montana		x (limited)		x	x
Nebraska	x	x			x
Nevada		x		x	
New Hampshire	x				x
New Jersey		x		x	
New Mexico		x		x	x
New York	x	x	x	x (rarely)	x
North Carolina	x			x	x
North Dakota	x	x	x		
Ohio	x	x (limited)			
Oklahoma	x	x	x		x (supp. to Title xx)
Oregon		x		x	
Pennsylvania	x				
Rhode Island	x	x		x	x
South Carolina		x		x	x

APPENDIX TABLE IX (CONTINUED)

State	Title XX	WIN	AFDC Spec. Needs	JTPA	State Daycare
South Dakota	x	x		x	
Tennessee	x	x		x	
Texas	x			x	
Utah	x	x			
Vermont	x			x (limited)	
Virginia	x	x		x	x
Washington	x	x		x	x (supp. to AFDC)
West Virginia	x				
Wisconsin	x	x			x
Wyoming	x	x		x	x (limited)

APPENDIX TABLE VIII (CONTINUED)

State	Job Search/ Job Club[1/]	Work Experience[2/]	CWEP/ Workfare[3/]	Classroom Training[4/]	OJT[5/]
Wisconsin	X	X	X	X	X
Wyoming	X				

Note:

1/ Job search/job club includes individual and group job search from WIN or IV-A job search funding.

2/ Work experience can include WIN work experience or supported work.

3/ CWEP includes activities paid for by CWEP funding even where respondents noted that it is not a "traditional" grant abatement program.

4/ Classroom training is WIN classroom training.

5/ OJT includes WIN OJT, or training paid for with grant diversion funds.

6/ Applies only to counties with GAIN. Services under EPP are limited to job search, yet San Diego offers CWEP.

APPENDIX TABLE IX
SOURCES OF DAYCARE FUNDS FOR STATE
WORK-WELFARE PROGRAMS AS IDENTIFIED BY RESPONDENTS, BY STATE

State	Title XX	WIN	AFDC Spec. Needs	JTPA	State Daycare
Alabama	x	x			x (limited)
Alaska		x			x
Arizona	x				
Arkansas	x	x		x	
California	x	x			x
Colorado	x	x	x	x	x
Connecticut		x		x (limited)	x
Delaware	x				x
District of Columbia	x				x
Florida	x	x	x (limited)		x
Georgia	x	x		x (limited)	x
Hawaii	x (limited)	x		x	
Idaho	x	x		x	
Illinois	x		x	x	
Indiana	x	x		x	
Iowa		x	x		
Kansas	x	x		x (limited)	
Kentucky		x	x	x	
Louisiana	x				

APPENDIX TABLE IX (CONTINUED)

State	Title XX	WIN	AFDC Spec. Needs	JTPA	State Daycare
Maine	x	x		x	x
Maryland	x	x			x
Massachusetts	x	x	x (pending)	x	x
Michigan	x		x		x
Minnesota	x	x	x	x	x
Mississippi	x	x		x	
Missouri		x			x
Montana		x (limited)		x	x
Nebraska	x	x			x
Nevada		x		x	
New Hampshire	x				x
New Jersey		x		x	
New Mexico		x		x	x
New York	x	x	x	x (rarely)	x
North Carolina	x			x	x
North Dakota	x	x	x		
Ohio	x	x (limited)			
Oklahoma	x	x	x		x (supp. to Title xx)
Oregon		x		x	
Pennsylvania	x				
Rhode Island	x	x		x	x
South Carolina		x		x	x

APPENDIX TABLE IX (CONTINUED)

State	Title XX	WIN	AFDC Spec. Needs	JTPA	State Daycare
South Dakota	x	x		x	
Tennessee	x	x		x	
Texas	x			x	
Utah	x	x			
Vermont	x			x (limited)	
Virginia	x	x		x	x
Washington	x	x		x	x (supp. to AFDC)
West Virginia	x				
Wisconsin	x	x			x
Wyoming	x	x		x	x (limited)